

OFFERING CIRCULAR
dated 12 March 2015

Serenade Investment Corporation SA

(a securitisation company incorporated as a public limited liability company (société anonyme) under the laws of the Grand Duchy of Luxembourg on 19 June 2012 with its registered office at 9B, Boulevard Prince Henri, L-1724 Luxembourg and registered with the Luxembourg trade and companies register under number B. 169 602)

SECURED NOTE PROGRAMME

Under the Secured Note Programme (the **Programme**) described in this Offering Circular, Serenade Investment Corporation SA (**Serenade**, and the **Issuer**), a securitisation company within the meaning of and governed by Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**), may from time to time issue notes (the **Notes**) subject to compliance with all relevant laws, regulations and directives. This Offering Circular (the **Offering Circular**) supersedes and replaces in its entirety the Serenade Base Prospectus dated 26 June 2012. This does not affect any Notes issued prior to the date of this Offering Circular.

This Offering Circular does not comprise a prospectus or a base prospectus for the purposes of Article 3 of Directive 2003/71/EC (as amended including by Directive 2010/73/EC and including any relevant implementing measure in a relevant Member State of the European Economic Area (the Prospective Directive)). This Offering Circular has been prepared solely in order to allow Notes to be offered in circumstances which do not impose an obligation on the Issuer or any Dealer (as defined below) to publish or supplement a prospectus under the Prospectus Directive. No prospectus is required in accordance with the Prospectus Directive in relation to offers of Notes under this Offering Circular.

This Offering Circular may only be used for the purposes for which it has been published.

This Offering Circular constitutes a prospectus for purposes of Part IV of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act 2005**). Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF Market (the **Euro MTF**). References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Euro MTF and have been listed on the Official List of the Luxembourg Stock Exchange. The Euro MTF is not a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

As specified in the applicable Pricing Supplement (as defined below), an issue of Notes may or may not be listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange and/or any other stock exchange(s), markets or quotation systems as may be agreed between the Issuer and the relevant Dealer(s).

This Offering Circular has not been approved by and will not be submitted for approval to the *Commission de surveillance du secteur financier* of Luxembourg. The Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Circular nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF and listing of the Notes on the Official List of the Luxembourg Stock Exchange and in circumstances which do not constitute an offer of securities to the public pursuant to the Prospectus Act 2005 or (ii) in other circumstances which do not constitute an offer of securities to the public within the meaning of the Prospectus Act 2005.

Notes may be issued on a continuing basis to Citigroup Global Markets Limited and/or any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and, together, the **Dealers**) which appointment may be for a specific issue or on an on-going basis. In relation to each issue of Notes, the Dealer(s) will be specified in the applicable Pricing Supplement (as defined below). Notes may be resold at

prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Issuer or the relevant Dealer. Notes may also be sold by the Issuer through the Dealer(s), acting as agent of the Issuer.

Pursuant to this Offering Circular, Notes may be issued whose return (in respect of any interest payable on such Notes and/or their redemption amount) is linked to one or more security indices (**Security Index Linked Notes**) or one or more inflation indices (**Inflation Index Linked Notes**) or one or more commodity indices (**Commodity Index Linked Notes**) or one or more commodities (**Commodity Linked Notes**) or one or more shares (**Share Linked Notes**) or one or more depositary receipts (**Depositary Receipt Linked Notes**) or one or more exchange traded fund (ETF) shares (**ETF Linked Notes**) or one or more mutual funds (**Mutual Fund Linked Notes**) or one or more currency exchange rates (**FX Rate Linked Notes**) or one or more proprietary indices (**Proprietary Index Linked Notes**) or one or more dividend futures contracts (**Dividend Futures Contract Linked Notes**), together, **Underlying Linked Notes**, as more fully described herein.

Notes may provide that settlement will be by way of cash settlement (**Cash Settlement Notes**) or physical delivery (**Physical Settlement Notes**) as provided in the applicable Pricing Supplement.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes set out herein, in which event (in the case of Notes intended to be listed on the Luxembourg Stock Exchange) a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes are issued in Series and each Series may comprise one or Classes of Notes comprised of one or more Tranches of Notes. Each Tranche is the subject of a Pricing Supplement which will specify with respect to the issue of Notes to which it relates, *inter alia*, details of the aggregate principal amount, the issue date, the issue price, the interest provisions (if any), the final redemption amount, the underlying asset, index or other item(s) (each an **Underlying**) to which the Notes relate, details of the Charged Assets (if any), the Charged Agreements (if any), the Charging Document (if any), the Credit Support Document (if any), the Counterparty (if any), the Credit Support Provider (if any) and the Issuer Credit Enhancer (if any) (all as defined below) and certain other terms relating to the offering and sale of such Notes. The applicable Pricing Supplement supplements the Terms and Conditions of the Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, supplement, replace and/or modify such Terms and Conditions. In respect of Notes to be listed on the Euro MTF, the Pricing Supplement will be delivered to the Luxembourg Stock Exchange on or before the date of listing of the Notes of such Tranche.

The Notes and any Notes Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and no person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act, as amended (the **CEA**) and the rules of the U.S. Commodity Futures Trading Commission thereunder (the **CFTC Rules**). Furthermore, the Issuer has not registered and will not register as an "investment company" under the U.S. Investment Company Act of 1940, as amended. Consequently, the Notes may not be offered, sold, pledged, resold, delivered or otherwise transferred except in an "offshore transaction" (as such term is defined under Regulation S under the Securities Act (**Regulation S**)) to persons that: (1) are not "U.S. persons" (as such term is defined under Rule 902(k)(1) of Regulation S); (2) do not come within any definition of U.S. person for any purpose under the CEA or any CFTC rule, guidance or order proposed or issued by the CFTC under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person); (3) are not, and whose purchasing and holding of the Notes is not made on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), a plan, individual retirement account or other arrangement subject to Section 4975 of the

U.S. Internal Revenue Code of 1986, as amended (the **Code**) or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; and (4) are not "United States persons" within the meaning of Section 7701(a)(30) of the Code (any such person falling within (1), (2), (3) and (4) immediately above, a **Permitted Purchaser**). If a Permitted Purchaser acquiring the Notes is doing so for the account or benefit of another person, such other person must also be a Permitted Purchaser. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the CEA and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the CEA. For a description of certain restrictions on offers, sales and transfers of Notes, see "Subscription, Sale and Transfer Restrictions" below. Each purchaser and transferee of the Notes will be deemed to have made certain acknowledgments, representations and agreements as set out in the section below titled "Notice to Investors".

Notes will be issued in registered form and will be represented by a global note in registered form (a **Global Note**), which will be registered in the name of a common nominee for, and shall be deposited on or prior to the relevant issue date with, a common depository for Euroclear and Clearstream, Luxembourg or such other clearing system approved by the Issuer, the relevant Dealer, the Principal Paying Agent, the Trustee and, if applicable, the Registrar. Beneficial interests in a Global Note may not at any time be offered, sold or transferred to, or for the account or benefit of, any person other than a Permitted Purchaser or held at any time otherwise than through Euroclear or Clearstream, Luxembourg, and each Global Note will bear a legend regarding such restrictions on transfer.

In addition, interests in the Notes may be accepted for settlement in Euroclear UK and Ireland (**CREST**) via the CREST Depository Interest (**CDI**) mechanism.

AN ISSUE OF NOTES MAY BE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS.

Prospective investors should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in light of their own circumstances and financial condition. Notes may involve a high degree of risk, including the principal not being protected. Potential investors may sustain a total loss of the purchase price of their Notes. See "*Risk Factors*" set out herein.

Arranger and Dealer
Citigroup

The Programme is not rated, but it is expected that certain Notes may, if so specified in the applicable Pricing Supplement, be rated by such rating agency specified in the applicable Pricing Supplement (each a **Rating Agency**). A security rating is not a recommendation to buy, sell or hold any Notes and may be subject to suspension, change or withdrawal at any time by the assigning Rating Agency. A suspension, change or withdrawal of the rating assigned to any Notes may adversely affect the market price of such Notes. A Series of Notes may involve a rated Class or Classes of Notes.

The Issuer accepts responsibility for the information contained in this Offering Circular, subject as provided below. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in the sections headed "Information Concerning Citibank, N.A." and "Information Concerning Citigroup Global Markets Limited" has been extracted from information published by Citibank, N.A. and Citigroup Global Markets Limited, respectively. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to the Underlying(s) to which the relevant Notes relate which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to the Underlying(s), will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Underlying(s). Unless otherwise expressly stated in the applicable Pricing Supplement, the Issuer accepts responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer is aware and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlying(s), no facts have been omitted which would render the reproduced information inaccurate or misleading.

For convenience, the website addresses of certain third parties have been provided in this Offering Circular. Except as expressly set forth in this Offering Circular, no information in such websites should be deemed to be incorporated in, or form a part of, this Offering Circular and none of the Issuer, the Trustee, the Arranger, any Dealer, the Share Trustees and the Corporate Service Provider takes responsibility for the information contained in such websites.

This Offering Circular should be read in conjunction with all documents which are deemed to be incorporated by reference therein (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated into and form part of this Offering Circular.

None of the Trustee, the Arranger, any Dealer, the Share Trustees and the Corporate Service Provider have or will have separately verified the information contained herein or in any Pricing Supplement. Accordingly, no representation, warranty or undertaking, express or implied, is or will be made and no responsibility or liability is or will be accepted by or imposed on the Trustee, the Arranger, any Dealer, the Share Trustees, or the Corporate Service Provider as to the accuracy or completeness of any information contained in this Offering Circular or in any Pricing Supplement or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is, has been or will be authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any Pricing Supplement or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or

representation must not be relied upon as having been authorised by the Issuer, the Trustee or any of the Dealers.

None of this Offering Circular, any Pricing Supplement, any financial statements and other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, statement of opinion, or a report of either of those things by the Issuer, the Trustee, the Arranger, any Dealer, the Share Trustees or the Corporate Service Provider that any recipient of this Offering Circular, any Pricing Supplement, any financial statements or other information supplied in connection with the Programme or any Notes should purchase any Notes. Each potential purchaser of any Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of any Notes should be based upon such investigations as it deems necessary. Each potential purchaser is authorised to use this Offering Circular solely for the purpose of considering the purchase of Notes described in this Offering Circular; any other usage of this Offering Circular is unauthorised.

The delivery of this Offering Circular or any Pricing Supplement or the offering, sale or delivery of any Notes shall not at any time or in any circumstances imply that the information contained herein or therein concerning the Issuer is correct at any time subsequent to the date hereof or thereof (as the case may be) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee, the Dealers, the Arranger, the Share Trustees and the Corporate Service Provider expressly do not undertake to review the financial condition or affairs of the Issuer, any Counterparty, any Issuer Credit Enhancer, any Credit Support Provider or any obligor under any Charged Assets during the life of the Programme nor to advise any investor or potential investor in any Notes of any information coming to the attention of any of them. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer, the relevant Counterparty (if any), the relevant Issuer Credit Enhancer (if any), the relevant Credit Support Provider (if any) and the obligor under the relevant Charged Assets when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Trustee, the Arranger, any Dealer, the Share Trustees or the Corporate Service Provider to subscribe for, or purchase any Notes. The distribution of this Offering Circular or any Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee, the Arranger, the Dealers, the Share Trustees and the Corporate Service Provider do not and will not represent that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Pricing Supplement, no action has been or will be taken by the Issuer, the Trustee, the Arranger, the Dealers, the Share Trustees or the Corporate Service Provider which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement, any advertisement and any 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 Offering Circular or any Pricing Supplement or Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular or any Pricing Supplement and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom and Luxembourg), see "*Subscription, Sale and Transfer Restrictions*".

AVAILABLE INFORMATION

In any EEA Member State that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This Offering Circular has been prepared on basis that an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) is permitted only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a Prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in circumstances in which an obligation arises for any of them to publish or supplement a prospectus for such offer.

Subject as provided in the relevant Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

PRESENTATION OF INFORMATION

In this Offering Circular, all references:

- to **U.S. dollars** and **U.S.\$** refer to United States dollars; and
- to **euro** and **€** are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Offering Circular and is provided as an aid to investors when considering whether to invest in Notes but is not a substitute for the Offering Circular. Any decision to invest in any Notes should be based on a consideration of the Offering Circular as a whole, including any documents incorporated by reference and the applicable Pricing Supplement.

Words and expressions defined in "Terms and Conditions of the Notes" or the Underlying Schedules thereto and in the applicable Pricing Supplement shall have the same meanings herein.

INFORMATION RELATING TO THE ISSUER:

Issuer: Serenade Investment Corporation SA.

Description of the Issuer: The Issuer is a special purpose vehicle incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, for an unlimited duration, on 19 June 2012 and registered with the Luxembourg trade and companies register under number B.169 602. The Issuer is a securitisation company authorised and supervised by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) pursuant to the Securitisation Act 2004. Under the Securitisation Act 2004, the assets, liabilities and obligations of the Issuer are segregated into separate compartments (together the **Compartments** and each a **Compartment**). The assets of each Compartment are, by operation of the Securitisation Act 2004, only available to satisfy the obligations of the Issuer which are incurred in relation to that Compartment.

Business of the Issuer: The business of the Issuer is restricted by the terms of the Master Trust Deed. The only assets of the Issuer available to meet claims of Noteholders of the relevant Notes are the assets comprised in the collection of assets, rights and other benefits comprising the security for such Notes.

Other information about the Issuer is set out under "*Description of the Issuer*" below.

INFORMATION RELATING TO THE PROGRAMME:

Arranger and Dealer: Citigroup Global Markets Limited.

Principal Paying Agent, Agent Bank and Transfer Agent: Citibank, N.A.

Custodian Citibank International Limited (Luxembourg Branch) or such other custodian as is specified in the applicable Pricing Supplement.

Registrar: Citigroup Global Markets Deutschland AG.

Trustee: Citicorp Trustee Company Limited.

Corporate Service Provider: Structured Finance Management (Luxembourg) SA (**SFM**).

SFM is responsible for the day-to-day operations of the Issuer and provides certain clerical and administrative services to the Issuer.

Redemption Agent:

Citigroup Global Markets Limited.

Calculation Agent:

Such calculation agent as specified in the applicable Pricing Supplement, which is expected to be either Citibank, N.A. or Citigroup Global Markets Limited.

Counterparty:

One or more of Citigroup Global Markets Limited, Citibank N.A. and/or any other Counterparty specified in the applicable Pricing Supplement.

Unless otherwise provided in the applicable Pricing Supplement, a Counterparty may, without the consent of the relevant Noteholders or the Issuer, and upon providing prior notice to the Trustee, transfer all or part of its interest and obligations in and under the relevant Swap Agreement to any affiliate of such Counterparty, subject to the satisfaction of certain criteria specified in the relevant Swap Agreement.

Charged Agreements:

In respect of each Series, the Issuer may enter into one or more interest rate and/or currency and/or other exchange agreements and/or repurchase, reverse repurchase or securities lending agreements and/or other derivative, lending or hedging agreements with a Counterparty.

Any such agreement(s) are collectively referred to as the "**Charged Agreements**", and shall be specified as such in the applicable Pricing Supplement.

If so specified in the applicable Pricing Supplement, Charged Agreements may be documented on the basis of one or more confirmations and an ISDA Master Agreement (including the Schedule and, if the transaction is specified as a "Collateralised Transaction" in the applicable confirmation, credit support annex, thereto) (together, an **ISDA Agreement**). The obligations of any Counterparty under an ISDA Agreement will not have the benefit of a guarantee, unless otherwise specified in the applicable Pricing Supplement.

A description of the terms of Charged Agreements documented on the basis of an ISDA Agreement is set out under "*The Swap Agreement*" below.

Charged Assets:

The Charged Assets (if any) shall be certain bonds, notes, securities, commodities, other assets, or contractual or other rights and all rights in respect thereof or relating thereto, as are specified as such in the applicable Pricing Supplement and, as applicable, such term shall include the cash and/or securities from time to time transferred to the Issuer from the relevant Counterparty pursuant any relevant to credit support annex to the ISDA Master Agreement (the **ISDA Counterparty Collateral**).

The Charged Assets will be owned by the Issuer and may (where practicable) be deposited with the Custodian.

OVERVIEW OF THE PROGRAMME

If "Charged Asset Substitution" is specified as applicable in the applicable Pricing Supplement, the Charged Assets (other than any Charged Assets comprising ISDA Counterparty Collateral) may be substituted with alternative security in the circumstances described in Condition 3(b) (*Charged Assets*) of the General Conditions.

If a modification of or a material change to any Charged Asset occurs (a **Charged Asset Modification Event**), the Issuer may (A) direct the Calculation Agent to make such amendments to any of the provisions of the Notes as the Calculation Agent determines appropriate to account for the relevant Charged Asset Modification Event and determine the effective date of such amendment or (B) redeem all of the Notes, each Specified Denomination being redeemed by payment of an amount equal to the Early Redemption Amount of such Note.

Notes Guarantee:

If so specified in the applicable Pricing Supplement, the obligations of the Issuer under the Notes issued by it and the Trust Deed will be supported by means of a guarantee, insurance policy or other form of credit enhancement provided by the Issuer Credit Enhancer specified therein. The obligations of the Issuer Credit Enhancer under such Notes Guarantee will be direct, unconditional and unsecured obligations of the Issuer Credit Enhancer and will rank *pari passu* and equally with all other unsecured obligations of the Issuer Credit Enhancer.

Credit Support Document:

If so specified in the applicable Pricing Supplement, the Issuer's obligations under the Notes issued by it and/or under the relevant Swap Agreement will be secured in favour of the Trustee by way of a first ranking assignment of the Issuer's rights, title and interest in, to or under, any specified guarantee, letter of credit or other similar arrangement given by a "Credit Support Provider" in favour of the Issuer in respect of any Charged Assets.

How the Issuer funds its payment obligations in respect of the Notes:

In relation to any Series of Notes where there are only Charged Assets or Charged Agreements, the Charged Assets or the Charged Agreements, as the case may be, shall have characteristics whereby they demonstrate a capacity to produce funds to service the Issuer's obligations to make payments and/or deliveries in accordance with the terms and conditions of such Notes.

In relation to any Series of Notes where there are both Charged Assets and Charged Agreement(s), the Charged Assets and the Charged Agreements shall have characteristics whereby, taken together, they demonstrate a capacity to produce funds to service the Issuer's obligations to make payments and/or deliveries in accordance with the terms and conditions of such Notes.

Security and Limited Recourse:

Unless and to the extent otherwise specified in the applicable Pricing Supplement, the obligations of the Issuer in respect of the Notes issued by it and/or under any Swap Agreement are secured under the Master Trust Deed and any applicable Charging Document in favour of the Trustee by security interests over the Issuer's rights, title and interest in the Mortgaged Property for such Notes (which shall include any Charged Assets relating to such Notes, any Credit Support Document(s)

relating to such Notes, the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any Charged Agreements, any sale agreement relating to the Charged Assets, any bank accounts of the Issuer in respect of the Notes). The secured creditors of all Notes of the Issuer are also secured under the Master Trust Deed by a floating charge (**Floating Charge**) over the assets of such Issuer (other than its share capital and the assets which have been allocated to a compartment).

Prior to the enforcement of the security for the Notes, the proceeds of the Mortgaged Property of the relevant Series will be applied in accordance with the order of priorities specified in the applicable Pricing Supplement. If the security for the Notes is enforced, the ranking of the relative claims of, *inter alios*, the Noteholders and any Counterparty over the Mortgaged Property will be in accordance with the Security Ranking Basis specified in the applicable Pricing Supplement.

All payments and/or, in respect of Physical Settlement Notes, the delivery of any Entitlement, in each case to be made by the Issuer in respect of the Notes and any related Swap Agreement, will only be made from and to the extent of the assets received or recovered from time to time in respect of the Mortgaged Property (the **Relevant Sums**) and to the extent that the Relevant Sums are less than the amount which the holders of the Notes and any Counterparty may have expected to receive (a **shortfall**) and any such shortfall will be borne by such holders and by such Counterparty (if any) without any further recourse to the Issuer and any right to claim payment of any amount exceeding the Relevant Sums will be extinguished.

These arrangements are set out under "*Terms and Conditions of the Notes*" below, as supplemented by the applicable Pricing Supplement, and in the Master Trust Deed.

Risk Factors:

The following paragraphs do not describe all the risks of an investment in any Notes. Prospective purchasers should consult their own financial and legal advisers about risks associated with investment in any Notes and the suitability of investing in any Notes in light of their particular circumstances.

The Issuer is a special purpose limited liability company which does not have substantial assets of its own to support its obligations under the Notes and amounts due to Noteholders will only be paid from the Notes Guarantee (if any), the Charged Assets (if any), the Credit Support Document(s) (if any), any assets paid or delivered to the Issuer under the Swap Agreement(s) and any other Mortgaged Property. There are certain factors that may affect the Issuer's ability to fulfil its obligations under any Notes, the Counterparty's (if any) ability to fulfil its obligations under the Swap Agreement, the Issuer Credit Enhancer's (if any) ability to fulfil its obligations in respect of the Notes Guarantee and each obligor's ability to fulfil its obligations under any Charged Assets (if any).

Therefore Noteholders assume full credit risk of the Issuer, any Counterparty, any Issuer Credit Enhancer and the obligor(s) of any

OVERVIEW OF THE PROGRAMME

Charged Assets, as applicable. Noteholders should be aware that they only have recourse to the assets realised in respect of the Mortgaged Property relating to the relevant Notes applied in accordance with the applicable Security Ranking Basis. If the Mortgaged Property is insufficient to meet the Issuer's obligations under the Notes, in certain circumstances, payments and/or deliveries to Noteholders will be reduced and, in these circumstances, the assets received by Noteholders could be less than the amount due in respect of the Notes and could be zero.

An investment in Notes the payments and/or deliveries in respect of which is/are determined by reference to one or more values of currencies, commodities, interest rates, shares, depositary receipts, exchange traded funds, mutual funds, dividend futures contracts, or other securities, intangibles, goods, articles, security indices, inflation indices, commodity indices, proprietary indices (which may be linked or referenced to one or more asset classes) or other bases of reference or formulae (the **Underlying(s)**), either directly or inversely, or which may be redeemable for certain assets may entail significant risks including risks that are not associated with an investment in a debt instrument with a fixed principal amount and which bears interest at either a fixed rate or at a floating rate determined by reference to published interest rate references. The risks of a particular Note will depend on the terms of such Note, but may include, without limitation, the possibility of significant changes in the price of the relevant Underlying(s). Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant Underlying(s). In recent years, currency exchange rates and prices for various Underlying(s) have been highly volatile, and such volatility may be expected in the future. Fluctuations in any such rates or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Note. The risk of loss as a result of the linkage to the relevant Underlying(s) can be substantial.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT UNDERLYING(S) ARE AND TO SEE HOW ANY AMOUNTS PAYABLE AND/OR DELIVERABLE ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY NOTES. NOTES MAY NOT BE PRINCIPAL PROTECTED.

These risk factors and others specific to the Issuer are set out under "*Risk Factors*" below.

INFORMATION RELATING TO THE NOTES:

Status and Terms:

Notes of each Class will be secured, limited recourse obligations of the Issuer ranking *pari passu* and without preference among themselves. The Notes are constituted by, and in accordance with, the Trust Deed and are subject to the Terms and Conditions as supplemented by the

applicable Pricing Supplement.

Type: Notes may (i) bear interest at a fixed rate or a floating rate; (ii) not bear interest; and (iii) bear interest and/or provide that the redemption amount is calculated by reference to one or more Underlying(s). In addition, Notes which have any combination of the foregoing features may also be issued.

Interest periods, rates of interest and the terms of and/or amounts payable or deliverable in respect of the Notes will be specified in the applicable Pricing Supplement.

Denominations: Such denominations specified in the applicable Pricing Supplement.

Maturities: Any maturity as specified in the applicable Pricing Supplement.

Form: Notes may be issued in registered form, as specified in the applicable Pricing Supplement.

Further details in relation to the form of the Notes are set out under "*Form of the Notes*" below.

In addition, interests in the Notes may be accepted for settlement in Euroclear UK and Ireland (**CREST**) via the CREST Depository Interest (CDI) mechanism.

Issue Price: Such issue price as specified in the applicable Pricing Supplement.

Underlying Linked Notes: To the extent specified in the applicable Pricing Supplement, amounts payable and/or assets deliverable will be calculated by reference to one or more Underlying(s), as specified in the applicable Pricing Supplement.

Physical Settlement: To the extent specified in the applicable Pricing Supplement, settlement may be by way of physical delivery of certain assets as specified in the applicable Pricing Supplement.

In the case of Physical Settlement, if a Settlement Disruption Event occurs or exists on any due date for delivery of such assets, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances may elect to deliver the relevant Entitlement using such other commercially reasonable manner as it may select or may pay the Disruption Cash Redemption Amount *in lieu* of delivering the Entitlement.

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Pricing Supplement and, at the relevant time, it is impossible or impracticable to deliver, when due, some or all of the assets otherwise due to be delivered, where such failure to deliver is due to illiquidity in the market for such assets, the Issuer may pay the Failure to Deliver Redemption Amount *in lieu* of delivering some or all of such assets so affected.

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In respect of Physical Settlement Notes, the Issuer may, if the Calculation Agent determines that an Underlying comprises securities which are not freely tradeable, elect to substitute a substitute asset for such Underlying or not to deliver or procure the delivery of the relevant Underlying or the relevant substitute asset, but in lieu thereof to make a cash payment to the Noteholders of the Alternate Cash Redemption Amount.

Illegality, impossibility, force majeure and Regulatory Event:

If, for reasons beyond its control, the performance of any of the Issuer's obligations under the Notes issued by it or any Counterparty's obligations under the relevant Swap Agreement is (a) prevented by reason of illegality, impossibility or force majeure, in whole or in part; or (b) a Regulatory Event occurs, the Issuer may at its discretion and without obligation redeem (or, in the case of a Regulatory Event, will redeem) all but not some of the Notes and, if and to the extent permitted by applicable law, will pay, in respect of each Note, an amount equal to the Early Redemption Amount of such Note notwithstanding such illegality, impossibility, force majeure or Regulatory Event.

Events of Default:

Notes will contain certain Events of Default relating to, *inter alia*, non-payment or non-delivery, non-performance and certain insolvency events relating to the Issuer, the Issuer Credit Enhancer (if any), or the Credit Support Provider (if any).

Taxation:

If taxes are imposed:

- (a) on payments to be made by the Issuer or the Issuer Credit Enhancer (if any) under the Notes;
- (b) on amounts received by the Issuer under any Charged Assets or any Charged Agreement, such that the net amounts received by the Issuer in respect of any Charged Assets or under any Charged Agreement are insufficient to meet the amounts due under the relevant Notes; or
- (c) on the Issuer Credit Enhancer, if any, and the Issuer Credit Enhancer would be unable for reasons outside its control to procure payment by the Issuer,

then the Issuer or the Issuer Credit Enhancer, as the case may be, will deduct an amount representing such taxes from payments in respect of the Notes and, if so requested by a holder of such Notes, redeem the Notes at the Early Redemption Amount.

Redemption:

The applicable Pricing Supplement will specify the redemption amount or the basis for its calculation and will indicate whether the Notes can be redeemed prior to their stated maturity, other than:

- (a) Notes redeemable in instalments;
- (b) following an Event of Default;
- (c) if any Charged Assets (or part thereof), other than Charged

Assets comprising ISDA Counterparty Collateral, become due and repayable on a date prior to their stated maturity (whether by reason of a default in payment or otherwise) or, if applicable, claims arise under the Credit Support Document (if any) and/or any such claims become enforceable;

- (d) following a Charged Asset Modification Event;
- (e) following the occurrence of certain taxation reasons as described above;
- (f) if any Charged Agreement is terminated (in whole but not in part) other than in connection with a redemption or repurchase of the Notes by the Issuer or following an Event of Default;
- (g) as a result of the occurrence of a force majeure, illegality or impossibility, a Regulatory Event or, in the case of Notes the payments or deliveries in respect of which is/are determined by reference to an Underlying, following an Early Redemption Event,

or, if so specified in the applicable Pricing Supplement, at the option of the Issuer or the Noteholders at a price or prices and on such date or dates as are specified in the Pricing Supplement.

The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are specified in the applicable Pricing Supplement.

If "Mandatory Early Redemption Provisions" are specified as applicable in the applicable Pricing Supplement, then the applicable Pricing Supplement will specify what constitutes a "Mandatory Early Redemption Event" and, following the occurrence of a Mandatory Early Redemption Event, the Notes will be redeemed and the Mandatory Early Redemption Amount will be due.

These arrangements are set out under "*Terms and Conditions of the Notes*" below, as supplemented by the applicable Pricing Supplement.

**Disrupted Days, Market
Disruption Events and
Adjustments:**

In the case of Notes linked to one or more Underlying(s), the General Conditions and the Underlying Schedule(s) applicable to the relevant Underlying(s) contain provisions relating to events affecting the relevant Underlying(s), modification or cessation of the relevant Underlying(s), settlement disruption and market disruption provisions and provisions relating to subsequent corrections of the level of an Underlying (including, without limitation and where necessary, appropriate definitions of Disrupted Day, Market Disruption Event, Realisation Disruption Event, Adjustment Event, Early Redemption Event or equivalent provisions) and details of the consequences of such events. Such provisions may permit the Issuer either to require the Calculation Agent to determine what adjustments should be made following the occurrence of the relevant event (which may include deferment of any required valuation or the substitution of another Underlying and/or in the case of an increased cost of hedging, adjustments to pass onto

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Noteholders such increased cost of hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs) and/or, in the case of Realisation Disruption, payment in the relevant local currency rather than in the relevant Specified Currency, deduction of or payment by Noteholders of amounts in respect of any applicable taxes, delay of payments or deliveries, determination of relevant exchange rates taking into consideration all available relevant information and/or (where legally permissible) physical delivery of any relevant Underlying(s) in lieu of cash settlement (or vice versa) and/or, in the case of mutual fund interests, adjustments to "monetise" the mutual fund interests affected by the relevant Adjustment Event and adjust amounts payable under the Notes to account for such monetisation) or to redeem the Notes early.

Rating:

The Programme is not rated, but it is expected that certain Notes may be rated by one or more rating agencies, as specified in the applicable Pricing Supplement. The ratings (if any) will vary depending upon, *inter alia*, the rating of the obligor(s) of the relevant Charged Assets (if any), the Counterparty (if any), and the relevant Charged Agreements (if any). If the ratings of any such relevant entities and/or obligations change, then the ratings of a Series and/or Class of Notes secured by such Charged Assets and/or by such Swap Agreement with the relevant entity or, as the case may be, guaranteed by the relevant entity, may change accordingly.

A security rating is not a recommendation to buy, sell or hold securities and may be reduced, withdrawn or qualified by the assigning rating agency at any time. Any actual or anticipated reduction, withdrawal or qualification of the rating, if any, assigned to the Notes or of the obligor(s) of the relevant Charged Assets (if any), the Counterparty (if any), and the relevant Charged Agreements (if any) may adversely affect the market price of the Notes.

Substitution:

Subject to satisfaction of certain conditions and in relation to each Series of Notes, the Trustee may without the consent of the Noteholders of such Series agree with the Issuer and/or the Issuer Credit Enhancer (if any) to the substitution in place of the Issuer and/or the relevant Issuer Credit Enhancer (if any) of any other company as the principal debtor or issuer credit enhancer, as the case may be.

Governing Law:

English law.

Passporting, Listing and Trading:

Application may be made for Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and listed on the Official List of the Luxembourg Stock Exchange, but there can be no assurance that any such listing or admission to trading will occur on the issue date of any Notes or at all.

Notes may also be issued on the basis that (a) they will not be admitted to listing, trading and/or quotation by any competent authority stock exchange, market and/or quotation system; or (b) they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as agreed by the Issuer and the relevant Dealer(s).

The applicable Pricing Supplement will state whether or not the relevant Notes are intended to be listed and/or admitted to trading and, if so, by which competent authorities, stock exchange(s) and/or quotation systems.

Selling and Transfer Restrictions:

There are selling and transfer restrictions in relation to the United States, the European Economic Area and United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes.

See "*Subscription, Sale and Transfer Restrictions*" below.

Forced Transfer at Option of the Issuer upon Void Transfer or Other Disposition:

Any purported transfer in violation of the transfer restrictions applicable to the Notes will be void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding instructions to the contrary from the Issuer, Principal Paying Agent, the Registrar or any intermediary.

The Issuer has the right to compel any beneficial owner of the Notes who is not a Permitted Purchaser to (i) sell its interest in the Notes to a Permitted Purchaser or (ii) transfer its interest in the Notes to the Issuer, a Dealer or an affiliate of a Dealer at a purchase price equal to the least of (x) the purchase price paid therefor by the beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof.

ERISA Restrictions:

Each purchaser and each subsequent purchaser of Notes will be deemed to represent and warrant, with respect to each day it holds Notes or any beneficial interest therein, that no portion of the assets used to purchase or hold its Notes constitutes or will constitute the assets of an "employee benefit plan" (within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**)) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code. Any purported purchase of Notes in violation of the requirement described in the foregoing representation will be null and void *ab initio* and the Issuer will have the right to require any person holding a legal or beneficial ownership interest in Notes in violation of such representation to sell such interest to a Permitted Purchaser or to the Issuer, a Dealer or an affiliate of a Dealer, in each case at a price equal to the least of (x) the purchase price therefor paid by such non-permitted person, (y) 100 per cent. of the principal amount of such interest and (z) the fair market value of such interest.

See "*ERISA Restrictions*" and "*Subscription, Sale and Transfer Restrictions*" below.

GENERAL DESCRIPTION OF THE PROGRAMME

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Under the Programme, the Issuer may from time to time issue Notes denominated or payable in any currency, subject as set out herein. An overview of the terms and conditions of the Notes is set out in "*Overview of the Programme*" above. The applicable terms of any Notes will be agreed between the Issuer and, where applicable, the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, scheduled to, or incorporated by reference into, the Notes, as modified by Part A of the applicable Pricing Supplement attached to, or endorsed on, such Notes.

Unless and to the extent otherwise specified in the applicable Pricing Supplement, the obligations of the Issuer in respect of each Series of Notes issued by it and/or under the relevant Swap Agreement will be secured in favour of the Trustee:

- (i) save to the extent effective security is otherwise taken over such assets pursuant to any relevant Charging Document, in the Trust Deed by the first ranking assignments described in Condition 3 (*Security*) of the General Conditions of the Notes over:
 - (a) certain bonds, notes, securities, commodities, other assets or contractual or other rights specified as Charged Assets in the applicable Pricing Supplement, including all rights in respect thereof or relating thereto and all assets received or receivable (if any) thereunder, whether or not against third parties (the **Charged Assets**, which term shall include, unless otherwise specified or the context otherwise requires, cash and/or securities from time to time transferred to the Issuer from the relevant Counterparty pursuant to the Credit Support Annex (as defined below) (the **ISDA Counterparty Collateral**)); and
 - (b) any guarantee, letter of credit or other similar arrangement (each a **Credit Support Document**) given by the Credit Support Provider (the **Credit Support Provider**) in favour of the Issuer in respect of any Charged Assets, if specified in the applicable Pricing Supplement; and/or
- (ii) (if and to the extent specified in the applicable Pricing Supplement) in the Charging Document (the **Charging Document**) specified in the applicable Pricing Supplement by security interests governed by the law(s) specified in the applicable Pricing Supplement over:
 - (a) the Charged Assets; and/or
 - (b) the Credit Support Document(s); and/or
 - (c) all the Issuer's rights, title and interest, present and future in, to and under any of its bank accounts in respect of the Notes and the debts represented thereby.

The Charged Assets (other than Charged Assets comprising ISDA Counterparty Collateral) may be substituted by alternative security in the circumstances described in Condition 3(b) (*Charged Assets*) of the General Conditions of the Notes.

Unless and to the extent otherwise specified in the applicable Pricing Supplement and save to the extent effective security is otherwise taken over such assets pursuant to any relevant Charging Document, the obligations of the Issuer in respect of each Series of Notes will also be secured in favour of the Trustee by:

- (i) an assignment by way of a first ranking assignment of all of the Issuer's rights, title and interest present and future in, to and under the Agency Agreement, the Custodial Services Agreement and any Collateral Services Agreement (including, without limitation, the rights, title and interest of the Issuer in respect of all moneys and assets held from time to time by the Principal Paying Agent, any

Paying Agent, the Registrar, the Custodian and/or the Redemption Agent for payment and/or delivery in respect of principal or interest (if any) and/or delivery of all assets deliverable in respect of the Notes or otherwise in relation to the Notes);

- (ii) an assignment by way of a first ranking assignment (or such other security as may be specified in the applicable Pricing Supplement) over the Issuer's rights, title and interest present and future in, to and under specified interest rate and/or currency and/or other exchange agreements and/or repurchase, reverse repurchase or securities lending agreements and/or other derivative, lending or hedging agreements (each a **Charged Agreement**);
- (iii) an assignment by way of a first ranking assignment of all of the Issuer's rights, title and interest present and future in, to and under any of its bank accounts in respect of the Notes of such Series and the debts represented thereby; and
- (iv) such other security interest as may be specified in the applicable Pricing Supplement.

In addition, if so specified in the applicable Pricing Supplement, the obligations of the Issuer under the Notes and the Trust Deed may be supported by means of a guarantee, insurance policy or other form of credit enhancement (a **Notes Guarantee**) provided by a third party (the **Issuer Credit Enhancer**). Unless and to the extent otherwise specified in the applicable Pricing Supplement, the claims of the counterparty to any Charged Agreement (each a **Counterparty** (such term to include any successors and assigns)) will also be secured by the relevant Charged Assets and, if applicable, the relevant Credit Support Document(s). The ranking of the relative claims of, *inter alios*, the Noteholders and the Counterparty over the Charged Assets and, if applicable, the relevant Credit Support Documents will be in accordance with the security ranking basis (the **Security Ranking Basis**) prior to enforcement of the security for the Notes as specified in the applicable Pricing Supplement and, following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) of the General Conditions and the Security Ranking Basis specified in the applicable Pricing Supplement. If so specified in the applicable Pricing Supplement, the Issuer's obligations in respect of more than one Class within one Series of Notes may be secured on the same security on the terms set out in the Terms and Conditions of the Notes.

The secured creditors of all Notes issued by the Issuer will also be secured under the Trust Deed by the Floating Charge governed by English law over the whole of the assets and undertaking(s) of the Issuer both present and future (subject to the charges and assignments described above, which shall rank prior to the Floating Charge in relation to the assets subject to such charges and assignments). The Floating Charge will become enforceable upon formal notice being given of an intention to appoint an administrator in relation to the Issuer or an application being made to, or a petition being lodged or a document being filed with, the court for administration in relation to the Issuer, all as further described in the Trust Deed.

The Mortgaged Property in respect of any Notes shall have characteristics whereby it shall demonstrate a capacity to produce funds and/or assets to service the Issuer's obligation to make payments and/or deliver any Entitlement (in respect of Physical Settlement Notes) in respect of the Notes and the related Charged Agreements (if any).

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes issued by it and the related Swap Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*) of the General Conditions) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of***

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proceeds) of the General Conditions and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).

- (B) To the extent that such assets are less than the amount which the holders of the Notes and such Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by such Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) of the General Conditions and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any) will be deemed to accept and acknowledge that it is fully aware that:
- (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the Relevant Sums) for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreements (if any);
 - (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreements (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreements (if any), respectively;
 - (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
 - (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) of the General Conditions or entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty, and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

The Notes of any Series are constituted by, and in accordance with, the Trust Deed (which constitutes the Master Trust Deed and the Supplemental Trust Deed).

The Notes of any Series have the benefit of the Agency Agreement.

If the Notes of any Series are secured by security interests over Charged Assets, the Notes will have the benefit of the Custodial Services Agreement and, if so specified in the applicable Pricing Supplement, the Collateral Services Agreement.

Standard issue structure and cash flows in respect of Notes

The following sets out examples of issue structures and cash flows in respect of certain types of Notes issued under the Programme. Where the Notes are listed on the Luxembourg Stock Exchange, in the event that the issue structure and/or cash flows for a particular issue are different to those set out below, the issue structure and/or cash flows for such Notes shall be as set out in the applicable Pricing Supplement.

(i) Where there is a Charged Agreement but no Charged Assets

On the issue date, investors purchase the Notes and pay the purchase price of the Notes to the Issuer. The Issuer enters into a Swap Agreement with the specified Counterparty to hedge payments under the Notes, under which the Issuer pays the purchase price of the Notes to the Counterparty on the issue date of the Notes and upon termination of the Swap Agreement the Issuer receives an amount equal to the aggregate Final Redemption Amounts payable under the Notes. Upon redemption of the Notes, the Issuer pays the Final Redemption Amounts to investors pursuant to the terms of the Notes.

(ii) Where there is a Charged Agreement and Charged Assets which are ISDA Counterparty Collateral posted under a Credit Support Annex

On the issue date, investors purchase the Notes and pay the purchase price of the Notes to the Issuer. The Issuer enters into a Swap Agreement with the specified Counterparty to hedge payments under the Notes, under which the Issuer pays the purchase price of the Notes to the Counterparty on the issue date of the Notes and the Counterparty secures its obligations under the Swap Agreement by posting ISDA Counterparty Collateral under the terms of a Credit Support Annex (as described under "*The Charged Agreement*" below). Upon termination of the Swap Agreement, the ISDA Counterparty Collateral is returned, the Issuer receives an amount equal to the aggregate Final Redemption Amounts payable under the Notes. Upon redemption of the Notes, the Issuer pays the Final Redemption Amounts to investors pursuant to the terms of the Notes.

(iii) Where there is a Charged Agreement and specified Charged Assets

On the issue date, investors purchase the Notes and pay the purchase price of the Notes to the Issuer. The Issuer enters into a Swap Agreement with the specified Counterparty to hedge payments under the Notes, under which the Issuer pays the purchase price of the Notes to the Counterparty on the issue date of the Notes. Under the terms of the Swap Agreement, the Swap Counterparty transfers the specified Charged Assets to the Issuer and, during the term of the Swap Agreement, the Issuer pays all amounts in respect of interest (if any) received under the Charged Assets and receives from the Counterparty the amount of any interest payments under the Notes. The Issuer pays any such interest amounts to the investors under the Notes. Upon termination of the Swap Agreement, as specified therein, either (a) if so specified in the applicable Charged Agreement, the Charged Assets (or, if so specified, the final redemption amounts in respect thereof) are returned to the Swap Counterparty, and the Issuer receives from the Swap Counterparty an amount equal to the aggregate Final Redemption Amounts payable under the Notes or (b) the Issuer receives the final redemption amount of the Charged Assets which it uses to fund payment of the Final Redemption Amounts under the Notes. Upon redemption of the Notes, the Issuer pays the Final Redemption Amounts to investors pursuant to the terms of the Notes.

RISK FACTORS

RISK FACTORS

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Investors may lose their entire investment or part of it.

The Issuer believes that the following factors represent the principal risks affecting its ability to fulfil its obligations under Notes issued by it but the inability of the Issuer to satisfy its obligations under any Notes issued by it may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes issued by it are exhaustive. All of these factors are contingencies which may or may not occur and no person is in a position to express a view on the likelihood of any such contingency occurring.

Prospective investors should read this Offering Circular in its entirety and, in the light of their own financial circumstances and investment objectives, form their own conclusions regarding an investment in any Notes.

RISKS RELATING TO THE ISSUER

Limited recourse

Limitation on recourse in event of a shortfall

- (A) All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes of each Series issued by the Issuer and the related Swap Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and the relative Credit Support Document(s) and (ii) in the case of the Notes of each Series, the other Mortgaged Property (as defined in Condition 3(a) (*Security*) of the General Conditions) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) of the General Conditions and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).
- (B) To the extent that such assets are less than the amount which the holders of the Notes and such Counterparty (if any) may have expected to receive (the difference being referred to herein as a **shortfall**), such shortfall will be borne by such holders and by such Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order set forth in the provisions of Condition 3(e) (*Application of proceeds*) of the General Conditions and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:
 - (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the **Relevant Sums**) for payments and/or deliveries to be made by the Issuer in respect of the Notes issued by it and the Charged Agreements (if any);

- (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes issued by it and the Charged Agreements (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes and the Charged Agreements (if any), respectively;
- (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) of the General Conditions nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreement(s) or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in a direct or indirect obligation of the obligors of any Charged Assets, nor do they confer on the Noteholder any right (whether in respect of voting, dividend or other distributions in respect of the Charged Assets) which the holder of any of the Charged Assets may have. The Issuer is not an agent of the Noteholders for any purpose.

Securitisation Act 2004 and Compartments

The Issuer is established as a securitisation company (*société de titrisation*) within the meaning of the Securitisation Act 2004 which provides that the rights of creditors against the Issuer whose claims have arisen in relation to a specific Compartment (as defined below) of the Issuer are, as a general rule, strictly limited to the net assets of such Compartment without any recourse to the assets of any other Compartment of the Issuer or any other assets of the Issuer.

Further, pursuant to the Securitisation Act 2004, the proceeds of a Compartment are, as a general rule, available only for distribution to creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that specific Compartment or have been properly allocated thereto. A creditor of the Issuer may have claims against the Issuer in respect of liabilities or obligations which arise in connection with more than one Compartment, in which case the claims in respect of each individual Compartment will be limited to the assets of such Compartment only.

The board of directors of the Issuer (the **Board**) may establish one or more Compartments each of which is a separate and distinct part of the Issuer's estate (*patrimoine*) and which may be distinguished by the nature of acquired risks or assets, the Terms and Conditions of the Notes as completed, modified and supplemented by the applicable Pricing Supplement, the reference currency or other distinguishing characteristics. The Conditions of the Notes issued in respect of, and the specific objects of, each Compartment shall be determined by the Board. Each Noteholder shall be deemed to fully adhere to, and be bound by, the Conditions applicable to the relevant Notes and the articles of association (the **Articles of Association**) of the Issuer. Pursuant to the Securitisation Act 2004, the Conditions of issue of the Notes are also binding on the Issuer and are valid as against third parties in the event of the liquidation of one or more Compartments, of bankruptcy proceedings in respect of the Issuer or more generally in determining the competing rights for payment of creditors, except that they are not binding on any creditors of the Issuer who have not expressly agreed to be bound by such Conditions.

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Subject to any particular rights or limitations for the time being attached to any Notes, as may be specified in the Articles of Association or upon which such Notes may be issued including, without limitation, the Terms and Conditions and the applicable Pricing Supplement, if the net assets of a Compartment are liquidated and, as applicable, distributed, those assets and the proceeds thereof, as applicable, shall be applied in the order set out in the Conditions.

The rights of holders of Notes issued in respect of a Compartment and the rights of creditors are, in principle, limited to the assets of that Compartment, where these rights relate to that Compartment or have arisen as a result of the constitution, the operation or the liquidation of the relevant Compartment are limited to the assets of that Compartment. The assets of a Compartment are, in principle, exclusively available to satisfy the rights of holders of Notes issued in relation to that Compartment and the rights of creditors whose claims have arisen as a result of the constitution, the operation or the liquidation of that Compartment.

Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment, may, under certain circumstances, be payable out of the assets allocated to Compartments in accordance with the Issuer's Articles of Association. The Board shall ensure, to the extent possible (although there is no guarantee that the Board will be able to achieve this), that creditors of such liabilities expressly waive recourse to the assets of any Compartment.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Issuer in order to ascertain the rights of holders of Notes in respect of each Compartment. Such accounting records will be conclusive evidence of such rights in the absence of manifest error. The fees, costs and expenses in relation to the Notes of each Series are allocated to the Compartment relating to the relevant Series in accordance with the Conditions. Noteholders of a Series will have recourse only to the Mortgaged Property relating to the relevant Series. The rights of all holders of a Series will be restricted to the Mortgaged Property for such Series.

Limited recourse and shortfall on enforcement and realisation of Mortgaged Property

The right of Noteholders of any Series issued in respect of, and allocated to, each Compartment to participate in the assets of the Issuer is limited to the Mortgaged Property relating to such Series. If such Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, are not sufficient to make all payments and deliveries, as applicable, due in respect of the Notes, then the obligations of the Issuer in respect of the Notes of that Series will be limited to the Mortgaged Property of the Compartment in respect of that Series, as specified in the Articles of Association, the Terms and Conditions and the applicable Pricing Supplement. The Issuer will not be obliged to make any further payment or delivery, as applicable, for any Series of Notes in excess thereof. Following application of the relevant Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, in accordance with the Conditions, the claims of the relevant Noteholders and all other relevant parties whose rights have arisen in connection with the relevant Series of Notes (the **Series Parties**) for any shortfall shall be extinguished and the relevant Noteholders and the Series Parties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall. PROVIDED THAT such parties have agreed to a non-petition clause, none of them should be able to petition for the winding-up, the liquidation or the bankruptcy of the Issuer or any other similar insolvency related proceedings. Failure to make any payment or delivery, as applicable, in respect of any such shortfall shall in no circumstances constitute an event of default under the Conditions. Any shortfall shall be borne by the Noteholders and the Series Parties according to the priorities specified in the Conditions relating to the relevant Series of Notes.

In light thereof, each Noteholder, by subscribing for or purchasing such Notes, will be deemed to accept and acknowledge that it is fully aware that, in the event of a shortfall, (i) the Issuer shall be under no obligation to pay or deliver, as applicable, and the other assets (if any) of the Issuer including, in particular, assets securing other Series of Notes will not be available for payment of or delivery in respect of, as applicable, such shortfall, (ii) all claims in respect of such shortfall shall be extinguished and (iii) the Noteholders and the Series Parties (including the Trustee) shall have no further claim against the Issuer in respect of such

unpaid amounts or undelivered assets, as applicable, and will accordingly not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of such shortfall.

The Notes of each Series are secured, limited recourse obligations of the Issuer alone and not of the officers, members, directors, employees, Noteholders or incorporator of the Issuer, the Series Parties or any obligor(s) in respect of the Charged Assets or any of their respective successors or assigns. Furthermore, they are not obligations of, or guaranteed in any way by, any Dealer(s).

To give effect to the provisions of the Securitisation Act 2004 under which the Mortgaged Property of a Compartment is available only for the specified Noteholders and the relevant Series Parties relating to the relevant Series relating to that Compartment, the Issuer will seek to contract with parties on a "limited recourse" basis such that claims against the Issuer in relation to each Series would be restricted to the Mortgaged Property of the Compartment for the relevant Series.

The Noteholders may be exposed to competing claims of other creditors of the Issuer, the claims of which have not arisen in connection with the creation, the operation or the liquidation of a Compartment if foreign courts, which have jurisdiction over the assets of the Issuer allocated to a Compartment do not recognise the segregation of assets and the compartmentalisation, as provided for in the Securitisation Act 2004. The claims of these other creditors may affect the scope of assets which are available for the satisfaction of claims of the Noteholders and any relevant Series Parties. If as a result of such claims, a shortfall arises, such shortfall will be borne by the Noteholders and any relevant Series Parties.

Consequences of Winding-up Proceedings

The Issuer is structured to be an insolvency-remote vehicle. The Issuer will seek to contract only with parties who agree not to make any application for the commencement of bankruptcy, liquidation or winding-up or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court. Notwithstanding the foregoing, if the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and may obtain no further credit), a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor should in principle not have recourse to the assets of any Compartment but would have to exercise his rights over the general assets of the Issuer unless his rights arise in connection with the "creation, operation or liquidation" of a Compartment, in which case the creditor would have recourse to the assets allocated to that Compartment but he would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may in certain conditions, entitle creditors (including the Counterparties) to terminate contracts with the Issuer (including Charge Agreements) and claim damages for any loss arising from such early termination. The Issuer is insolvency-remote, not insolvency-proof.

The commencement of such proceedings may result in the Issuer's assets (including the Mortgaged Property of all the Series) being realised and applied to pay the fees and costs of the liquidator, debts preferred by law and debts payable in insolvency, before any surplus or assets are distributed to the Noteholders. In the event of proceedings being commenced, the Issuer may not be able to pay the full amount due on redemption or deliver the full amount of assets due, as applicable, pay any amounts of interest and any other or alternative amounts anticipated by the Conditions in respect of any Series of Notes. The Issuer will seek to contract only with parties who agree not to make application for the commencement of bankruptcy, liquidation or winding-up or similar proceedings against the Issuer.

Enforcement of legal liabilities

The Issuer is incorporated under the laws of the Grand Duchy of Luxembourg. All of the directors of the Issuer named herein reside, and all or a significant portion of the assets of such persons are, and substantially

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all of the assets of the Issuer are, located outside the United States. It may not be possible to enforce, in the courts of the Grand Duchy of Luxembourg, liabilities based solely on U.S. federal securities laws.

RISKS RELATING TO THE NOTES

Charged Assets

In the event that the security for any Series of Notes includes Charged Assets, Noteholders will assume the full credit risk of any obligor of the Charged Assets. The Charged Assets (if any) for each Series of Notes will be subject to credit, liquidity and interest rate risks. In some transactions, all or substantially all of the Charged Assets securing the Notes of any Series may be rated below investment grade and will have greater credit and liquidity risk than had those assets been assigned an investment grade rating. In addition, it is likely that the Charged Assets will be obligations of a limited number of obligors and, in such circumstances, the concentration of Charged Assets with an obligor which either one entity or within the same corporate group, a sovereign state, operating within the same sector and/or incorporated or established in the same country would, on an enforcement of the security or liquidation of the Charged Assets, expose Noteholders to increased risk with respect to an economic downturn in that corporate group, country or sector than would have been the case if the Charged Assets were less concentrated in that country and/or sector. To the extent that a default occurs with respect to any Charged Asset securing the Notes of any Series and the Redemption Agent sells or otherwise disposes of such Charged Asset, it is not likely that the proceeds of such sale or disposition will be equal to the unpaid principal and interest thereon. Even in the absence of a default with respect to any of the Charged Assets securing any Series of Notes, due to potential market volatility, the market value of such Charged Assets at any time will vary, and may vary substantially, from the price at which such Charged Assets were initially purchased and from the principal amount of such Charged Assets. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition, or the amount received or recovered upon maturity, of such Charged Assets securing any Series of Notes, or that the proceeds of any such sale or disposition would be sufficient to repay principal of and interest on the Notes of the related Series and amounts payable prior thereto. In the event of an insolvency of an issuer of the Charged Assets, various insolvency and related laws applicable to such issuer may limit the amount the Redemption Agent may recover.

In addition to the risks described above, if the Charged Assets are in the form of interests in loans rather than negotiable securities, the Charged Assets will generally be subject to additional liquidity and, in some cases, credit risks. Loans are not generally traded in organised exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Consequently, the liquidity of any loans included in the Charged Assets securing a given Series of Notes will depend on the liquidity of these trading markets, and there can be no assurance that there will be any market for any loan securing a Series of Notes if the Redemption Agent is required to sell or otherwise dispose of such loan. In addition, if so specified in the applicable Pricing Supplement, the Charged Assets for a given Series of Notes may include participation interests in loans. Holders of loan participations are subject to additional risks not applicable to a holder of a direct interest in a loan. A holder of a participation interest may be subject to the credit risk of the participating institution, which will remain the legal owner of record of the applicable loan. Participants also do not generally benefit from the collateral (if any) supporting the loans in which they have an interest because loan participations generally do not provide a purchaser with direct rights to enforce compliance by the obligor with the terms of the loan agreement, nor do they provide any rights of set-off against the obligor.

If the Charged Assets are in the form of interests in equities, a relatively small movement in the closing level of the equities can result in a disproportionately large movement in the price of the Notes.

If so specified in the applicable Pricing Supplement, the obligations of an obligor under any Charged Assets shall be guaranteed or have the benefit of a letter of credit or other similar arrangement from the specified Credit Support Provider. In such circumstances, Noteholders will also assume the credit risk of the Credit Support Provider and no assurance is given that any such Credit Support Provider will satisfy its obligations under the relevant Credit Support Document(s) in a timely manner or at all.

In the event that any Charged Assets (or part thereof), other than Charged Assets comprising ISDA Counterparty Collateral, become due and repayable on a date prior to their stated maturity date (whether by reason of a default in payment or otherwise) or, if applicable, claims arising under the Credit Support Document (if any) and/or any such claims become enforceable, the Notes will be redeemed early and the Early Redemption Amount received by Noteholders may be less than the amount initially invested and could be zero. In addition, if a Charged Asset Modification Event occurs, the Issuer may redeem the Notes and the Early Redemption Amount received by Noteholders may be less than the amount initially invested and could be zero.

Counterparty Substitution of Charged Assets

In the event that the security for any Series of Notes includes Charged Assets and "Charged Asset Substitution" is specified as applicable in the applicable Pricing Supplement, the Charged Assets (other than Charged Assets comprised of ISDA Counterparty Collateral) may be substituted for alternative security (**Replacement Charged Assets**) at the request of any Counterparty PROVIDED THAT such Replacement Charged Assets satisfy the Replacement Charged Assets Criteria. Following a request by the relevant Counterparty to substitute the Charged Assets, the Redemption Agent shall obtain bid quotations in respect of the Charged Assets and offer quotations in respect of the Replacement Charged Assets, as further provided in Condition 3(b) (*Charged Assets*) of the General Conditions. PROVIDED THAT the sale proceeds of the Charged Assets are sufficient to purchase the Replacement Charged Assets, the Charged Assets shall be substituted with the Replacement Charged Assets on the eighth Business Day following the request date.

None of the Issuer, the Trustee, any Counterparty, any Issuer Credit Enhancer and any Credit Support Provider shall be bound or concerned to make any investigation into the creditworthiness of any obligor in respect of the Charged Assets (including the Credit Support Provider (if any)), the validity of any such obligor's obligations under or in respect of the Charged Assets or any of the terms of the Charged Assets (including, without limitation, whether the cash flows from the Charged Assets and the Notes are matched) or to monitor the value of any Charged Assets.

Upon the redemption of the Notes no assurance can be given that the sale, disposition or redemption of the Replacement Charged Assets will be greater than that amount which would have been received from the sale, disposition or redemption of the original Charged Assets. Consequently the amount paid to Noteholders might be lower than if no Replacement Charged Assets had been purchased.

Charged Agreements

In the event that the security for any Series of Notes includes a Charged Agreement, Noteholders will assume the full credit risk of the ability of the Counterparty to satisfy their respective obligations in respect of the Charged Agreement.

A description of the terms of a Charged Agreement if documented on the basis of one or more confirmations and an ISDA Master Agreement (including the Schedule and, if the transaction is specified to be a "Collateralised Transaction" in the applicable confirmation, credit support annex, thereto) (together, a **Swap Agreement**) is set out in the section of this Offering Circular entitled "*The Swap Agreement*". Where a Charged Agreement is not documented on the basis of a Swap Agreement, for example where such a Charged Agreement is documented on the basis of a repurchase or reverse repurchase agreement, the summary set out in the section of this Offering Circular entitled "*The Swap Agreement*" shall not apply and reference should be made to the terms of the relevant Charged Agreement, the Terms and Conditions and the applicable Pricing Supplement to understand the features of, and risks relating to, such Charged Agreement.

Unless otherwise specified in the applicable Pricing Supplement, in the event that a Charged Agreement is terminated early (as a result of the failure of the Counterparty to meet its payment obligations under the

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Charged Agreement or otherwise), the Notes will be redeemed early and the Early Redemption Amount received by Noteholders may be less than the amount initially invested and could be zero.

In the event that the Early Redemption Amount is less than the amount originally invested or is less than the return Noteholders expected to receive on their investment or is zero, Noteholders will not have any further rights or claims against or to the assets of the Issuer beyond their pro rata entitlement to amounts received by the Issuer (under the Charged Assets (if any) and/or the Charged Agreement(s) as applicable) as a result of enforcement of the security. Any Early Redemption Amount received by Noteholders will be paid in accordance with the applicable order of priority and the limited recourse provisions.

If the Charged Agreements in respect of a Series of Notes include a credit support annex to the ISDA Master Agreement between the Issuer and the relevant Counterparty, then the Counterparty will be required to post eligible collateral to the Issuer to collateralise the Issuer's exposure (if any) to it under such ISDA Master Agreement and the transaction(s) comprising Charged Agreements for such Series of Notes, such collateral being referred to as ISDA Counterparty Collateral. The valuation of the parties' obligations for such purpose shall be undertaken from time to time pursuant to the provisions of the credit support annex and, if on a valuation date the Issuer's exposure to the Counterparty exceeds the sum of the posted collateral by an amount greater than the specified minimum transfer amount, then the Counterparty will post additional eligible collateral to the Issuer. However, the ISDA Counterparty Collateral may not in all circumstances be sufficient to negate all credit exposure of the Issuer to the relevant Counterparty, for example, because (a) of the requirement for the minimum transfer amount to be satisfied; (b) the Issuer's exposure to the relevant Counterparty may increase from the time at which the last valuation was made; (c) where assets are delivered as collateral to the Issuer, such assets may have a volatile market value that decreases from the date of delivery of such assets; and/or (d) due to currency exchange rate fluctuations, in which circumstances Noteholders will have uncollateralised exposure to the credit risk of the relevant Counterparty. If the Redemption Agent is required to sell any ISDA Counterparty Collateral, the Noteholders will assume market risk of such ISDA Counterparty Collateral and credit risk of the obligor(s) in respect of such ISDA Counterparty Collateral and, in such circumstances, the concentration of items of ISDA Counterparty Collateral with an obligor which is either a sovereign state or incorporated or established in the same country would, on an enforcement of the security or liquidation of the ISDA Counterparty Collateral, expose Noteholders to increased risk with respect to an economic downturn in that country. The relevant Counterparty has the right, pursuant to the terms of the ISDA Agreement, to substitute the securities and/or cash comprising ISDA Counterparty Collateral for other eligible collateral, which unless otherwise specified for the particular transaction, will not be subject to any concentration limits or other criteria.

Transfer of Confirmations

If so specified in the applicable Pricing Supplement, the Issuer shall have entered into a Swap Agreement, pursuant to which one or more confirmations (each a **Confirmation**) are entered into, each with an effective date of the Issue Date of the relevant Notes with the relevant Counterparty.

The terms of the Swap Agreement and the Conditions of the Notes provide that any Counterparty may, without the consent of Noteholders or the Issuer, transfer all or part of its interest and obligations in and under the relevant Swap Agreement to any affiliate of such Counterparty PROVIDED THAT such affiliate either: (i) has at least an equivalent credit rating as of the date of such transfer to that of the relevant Counterparty as of the date of such transfer; or (ii) is guaranteed by an affiliate of such Counterparty that has a credit rating as at the date of such transfer that is at least equivalent to that of the relevant Counterparty as at the date of such transfer, and PROVIDED THAT certain requirements and conditions set out in the Swap Agreement and the Supplemental Trust Deed have been satisfied. These requirements and conditions include (without limitation) the requirement that: (i) the transferee shall, at the time of such transfer, have entered into an ISDA Master Agreement with the Issuer on substantially the same terms as the ISDA Master Agreement between the Issuer and the relevant Counterparty; (ii) if so specified in the applicable Pricing Supplement, after the transfer of any part of the relevant Swap Agreement there will be no more than two

Swap Agreements comprised of Swap Agreements (each documented by no more than one Confirmation) at any one time, (iii) as of the date of such transfer the transferee will not, as a result of such transfer, be required to withhold or deduct on account of tax under the relevant ISDA Master Agreement, (iv) a Termination Event or an Event of Default (each as defined in the Swap Agreement) does not occur as a result of such transfer and (v) if applicable, each Rating Agency has provided prior written notification that the then current ratings of the Notes rated by such Rating Agency will not be adversely affected.

Consequently as of the date of any such transfer, the Issuer and ultimately the Noteholders will be exposed to the creditworthiness of the relevant affiliate transferee and, if applicable, such swap guarantor, as the case may be, and the ability of each such person to meet the obligations that have been so transferred in substitution for an exposure to the Counterparty. As a result of any transfer of a Confirmation to an affiliate transferee, the jurisdiction of such affiliate transferee shall be the relevant jurisdiction for the purposes of determining the occurrence of any tax event pursuant to Section 5(b)(ii) of the ISDA Master Agreement.

Upon such transfer, the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines appropriate to reflect such transfer and shall determine the effective date of such adjustment(s). Any such adjustment(s) may affect the value of the Notes.

The different Classes of Notes

Unless otherwise specified in the applicable Pricing Supplement, upon the enforcement of the security for Notes of a Series comprising more than one Class, payment of amounts due to the holders of a Class of Notes ranking senior to one or more junior ranking Class or Classes of Notes shall be made before payment is made to the next most senior ranking Class of Notes. Thus, the rights to receive payments in respect of more junior ranking Class or Classes of Notes are junior and subordinate to the rights to receive payments in respect of more senior ranking Class or Classes of Notes. The risks of delays in payments or ultimate non-payment of principal and/or interest will be borne disproportionately by holders of the more junior ranking Class or Classes of Notes as compared to holders of more senior ranking Class or Classes of Notes.

The Trustee will generally be required to have regard to the separate interests of the holders of each Class. However, in certain circumstances the Trustee shall be required not to have regard to the interests of the holders of a Class of Notes ranking junior to one or more senior ranking Class of Notes to the extent any of such senior Class or Classes of Notes remain outstanding.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any transfer or payment in respect of the Notes. If taxes are imposed: (a) on payments to be made by the Issuer or the Issuer Credit Enhancer (if any) under the Notes; (b) on amounts received by the Issuer under the Charged Assets or any Charged Agreement such that the net amounts received by the Issuer in respect of any Charged Assets or under any Charged Agreement are insufficient to meet the amounts due under the relevant Notes; or (c) on the Issuer Credit Enhancer, if any, and the Issuer Credit Enhancer would be unable for reasons outside its control to procure payment by the Issuer, the Issuer or the Issuer Credit Enhancer, as the case may be, will deduct an amount representing such taxes from payments in respect of the Notes and, if so requested by a holder of such Notes, redeem the Notes at the Early Redemption Amount. The Issuer or the Issuer Credit Enhancer, as the case may be, will not pay any additional amounts to Noteholders to reimburse them for any such deductions and, if redeemed, the Early Redemption Amount may be less than the amount originally invested by a holder of the Notes and may be zero.

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Legality of purchase

None of the Issuer, the Arranger, the Share Trustees, the Corporate Service Provider, the Dealers, the Counterparty (if any), the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any) and any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of any Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

ERISA

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), impose certain "prohibited transaction" rules which, if violated, may result in the imposition of an excise tax, the rescission of the transaction or other liabilities under ERISA and/or Section 4975 of the Code for "parties in interest", unless exemptive relief is available under an applicable statutory or administrative exemption.

Each purchaser and each subsequent purchaser of Notes will be deemed to represent and warrant, with respect to each day it holds Notes or any beneficial interest therein, that no portion of the assets used to purchase or hold its Notes constitutes or will constitute the assets of an employee benefit plan subject to Title I of ERISA, a plan, individual retirement account or other arrangement subject to Section 4975 of the Code or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code.

If the Notes are at any time purchased or held in violation of the foregoing representation, the Issuer shall have the right at any time, at the expense and risk of the holder of such Notes, to compel the beneficial owner of such Notes to (i) sell its interest in the Notes to a Permitted Purchaser or (ii) transfer its interest in the Notes to the Issuer, a Dealer or an affiliate of a Dealer at a purchase price equal to the least of (x) the purchase price paid therefor by the beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof. A holder of Notes who is required to transfer Notes in this way may incur a significant loss as a result. None of the Issuer, the Dealer or any other person shall be liable to a holder of Notes for any such loss.

Credit Risk

A prospective purchaser of the Notes 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 Notes including any credit risk associated with the Issuer, the Counterparty (if any), the Credit Support Provider (if any), the Custodian, any Issuer Credit Enhancer (if any), the obligor under any Charged Assets and any Agent (particularly the Calculation Agent). The ability of the Issuer to meet its obligations in respect of the Notes issued by it will depend on each such entity performing their respective obligations in relation to the Notes (as applicable) and, further, investors should be aware that on any default of any such person under the Notes, the Trustee, the Agent Bank, the Calculation Agent, the Principal Paying Agent, the Registrar and/or the Custodian may be Affiliates of, and/or share infrastructure with, any such entities and, in such circumstances, the realisation of the Mortgaged Property and redemption of the Notes, may not occur in a timely manner.

Citigroup Global Markets Limited as Arranger has undertaken to pay certain expenses of the Issuer in connection with the Programme. As such, the ability of the Issuer to meet its obligations under any Notes and/or to remain solvent may be impaired if, in the event of the insolvency of Citigroup Global Markets Limited, the Issuer's expenses are unpaid.

Provision of information

None of the Issuer, the Arranger, the Share Trustees, the Corporate Service Provider, the Trustee, the Agents, any Dealer, the Counterparty (if any), the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any) and any of their respective affiliates makes any representation as to the credit quality of any Counterparty, Issuer Credit Enhancer, Credit Support Provider or obligor of a Charged Asset. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to any Counterparty, Issuer Credit Enhancer, Credit Support Provider or obligor of any Charged Assets. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial condition, prospects, creditworthiness or status of affairs of any Counterparty, Issuer, Credit Enhancer, Credit Support Provider and any obligors of any Charged Assets or conduct any investigation or due diligence into any of them.

Business relationships

The Issuer, the Arranger, the Trustee, the Share Trustees, the Corporate Service Provider, the Agents, any Dealers, or any of their respective affiliates may have existing or future business relationships with any Counterparty, Issuer Credit Enhancer, Credit Support Provider or obligor of a Charged Asset (including, but not limited to, lending, depository, risk management, advisory and banking relationships) and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. Furthermore, the Arranger, the Trustee, the Share Trustees, the Corporate Service Provider, the Agents, any Dealers, the Counterparty (if any), the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any) and any of their respective affiliates may buy, sell or hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any Counterparty, Issuer Credit Enhancer, Credit Support Provider and any obligor of a Charged Asset.

Impact of fees, commissions and/or inducements on the issue price and/or offer price

Investors should note that the issue price and/or offer price of Notes may include fees and/or other commissions and inducements (e.g. placement fees, distribution fees, structuring fees). Any such fees and/or other commissions and inducements will not be taken into account for the purposes of determining the price of such Notes in the secondary market and will result in a difference between the issue price and/or offer price of the Notes and the bid/offer price quoted by any intermediary in the secondary market. Any such difference will result in a decrease in the value of the relevant Notes, particularly in relation to any such Notes sold immediately following the issue date relating to such Notes.

Investors should also note that any fees, commissions and inducements payable in the context of an issue of Notes, may be payable to entities that are subsidiaries of Citigroup Inc. and/or that are otherwise affiliated with the relevant Dealer and/or distributor.

Independent review and advice

Prospective investors in Notes should determine whether an investment in Notes is appropriate in their particular circumstances and should consult with their legal, business, regulatory and tax advisers to determine the consequences of an investment in Notes and to arrive at their own evaluation of the investment. In particular, the Issuer, the Arranger, any Counterparty, any Issuer Credit Enhancer and any Dealer recommend that investors take independent tax advice before committing to purchase any Notes. None of the Issuer, the Arranger, any Counterparty, any Issuer Credit Enhancer and any Dealer provides tax advice and therefore responsibility for any tax implications of investing in any Notes rests entirely with each investor. Investors should note that the tax treatment will differ from jurisdiction to jurisdiction. Investors will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including (without limitation) any state or local taxes or other similar assessment or charge that may be applicable to any payment in respect of the Notes.

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An investment in Notes is only suitable for investors who:

- (a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in Notes;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (c) are capable of bearing the economic risk of an investment in Notes for an indefinite period of time; and
- (d) recognise that it may not be possible to dispose of Notes for a substantial period of time, if at all.

Prospective investors in Notes should make their own independent decision to invest in Notes and as to whether the investment in Notes is permissible, appropriate or proper for them (or, if it is acquiring Notes in a fiduciary capacity, for the beneficiary) based upon their own judgement and upon advice from such advisers as they may deem necessary. Prospective investors in Notes should not rely on any communication (written or oral) of the Issuer, the Arranger, any Counterparty, any Issuer Credit Enhancer and any Dealer or any of their affiliates or their respective officers or agents as investment advice or as a recommendation to invest in Notes, it being understood that information and explanations related to Notes shall not be considered to be investment advice or a recommendation to invest in Notes. No communication (written or oral) received from the Issuer, the Arranger, any Counterparty, any Issuer Credit Enhancer and any Dealer or any of their affiliates or their respective officers or agents shall be deemed to be an assurance or guarantee as to the expected results of an investment in Notes.

An investment in Notes involves risks and should only be made after assessing the direction, timing and magnitude of potential future market changes (e.g. in the value of the reference securities, indices, commodities, interest rates etc. which comprise or relate to the Underlying), as well as the Conditions of the Notes. More than one risk factor may have simultaneous effects with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

RISKS RELATING TO THE MARKET GENERALLY

The secondary market

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and an investor may not be able to find a timely and/or suitable counterparty. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market or at prices higher than the relevant investor's initial investment. Investors seeking to liquidate/sell positions in the Notes prior to the stated maturity date may receive substantially less than their original purchase price. Therefore, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. To the extent that an issue of Notes is or becomes illiquid, investors may have to hold the relevant Notes until maturity before they are able to realise value.

The Issuer may, but is not obliged to, list an issue of Notes on a stock exchange or market. If Notes are not listed or traded on any stock exchange or market, pricing information for the relevant Notes may be more

difficult to obtain and the liquidity of such Notes may be adversely affected. If Notes are not listed or traded on a stock exchange or market, they may be traded on trading systems governed by the laws and regulations in force from time to time (e.g. multilateral trading systems or "MTF") or in other trading systems (e.g. bilateral systems, or equivalent trading systems). In the event that trading in such Notes takes place outside any such stock exchange, market or trading systems, the manner in which the price of such Notes is determined may be less transparent and the liquidity of such Notes may be adversely affected. Investors should note that the Issuer does not grant any warranty to Noteholders as to the methodologies used to determine the price of Notes which are traded outside a trading system, however, where the Issuer or any of its affiliates determines the price of such Notes, it will take into account the market parameters applicable at such time in accordance with applicable provisions of law. Even if Notes are listed and/or admitted to trading, this will not necessarily result in greater liquidity.

Each of the Issuer, the Arranger, any Counterparty, any Credit Support Provider, any Issuer Credit Enhancer, any obligor under any Charged Assets and any Dealer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender offer or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation. If any Notes are redeemed in part, then the number of Notes outstanding will decrease, which will reduce liquidity for the outstanding Notes. Any such activities may have an adverse effect on the price of the relevant Notes in the secondary market and/or the existence of a secondary market.

Any of the Arranger, any Counterparty, any Credit Support Provider, any Issuer Credit Enhancer and any Dealer (where applicable, as part of its activities as a broker and dealer in fixed income and equity securities and related products or otherwise) or any of their respective affiliates, may make a secondary market in relation to any Notes and may provide an indicative bid price on a daily basis. Any indicative prices so provided shall be determined by the relevant party in its sole discretion taking into account prevailing market conditions and shall not be a representation by such party that any Notes can be purchased or sold at such prices (or at all).

Notwithstanding the above, any of the parties specified above may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason.

Consequently, there may be no market for the relevant Notes and investors should not assume that such a market will exist. Accordingly an investor must be prepared to hold the Notes until the maturity date.

Where a market does exist, to the extent that an investor wants to sell the Notes, the price may, or may not, be at a discount from the outstanding principal amount.

If it is possible to sell Notes, they would be sold for the prevailing bid price in the market and may be subject to a transaction fee. The prevailing bid price may be affected by several factors including the performance of any relevant Underlying, prevailing interest rates at the time of sale, the time remaining to the stated maturity date, the creditworthiness of the Issuer, any Counterparty, any Credit Support Provider, any Issuer Credit Enhancer and any obligor under any Charged Asset(s) and factors affecting the capital markets generally. The introduction of additional or competing products in the market may also have a negative effect on the price of any Notes. It is therefore possible that an investor selling Notes in the secondary market may receive substantially less than their original purchase price.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to certain Notes and/or to the obligor(s) of the relevant Charged Assets (if any), the Counterparty (if any) and the relevant Charged Agreements (if any). The credit rating agencies may have different rating methodologies, criteria, models and requirements from one another. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the relevant Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or

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withdrawn by its assigning rating agency at any time. Any actual or anticipated suspension, change or withdrawal of the rating, if any, assigned to the Notes or of the obligor(s) of the relevant Charged Assets (if any), the Counterparty (if any) and the relevant Charged Agreements (if any) may adversely affect the market price of the Notes. Additionally, the global landscape of financial sector regulation itself is undergoing significant change. In the United States of America, the Dodd-Frank Act (as defined below), among other things, expands regulatory oversight of Citigroup Inc. (and its subsidiaries) and credit rating agencies. It is not clear how this expanded regulatory oversight will impact any ratings assigned to Notes or the ratings of Citigroup Inc. and its subsidiaries. Each rating should be evaluated independently of any other rating. The ratings of any Notes may be reduced, withdrawn or qualified at any time by the applicable rating agency. If the ratings on any Notes are reduced, withdrawn or qualified, it could adversely affect the liquidity or the market value of such Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Citigroup Inc. has a long term/short term senior debt rating of A-/A-2 by S&P, Baa2/P-2 by Moody's and A/F1 by Fitch. Citibank, N.A. has a long term/short term senior debt rating of A/A-1 by S&P, A2/P-1 by Moody's and A/F1 by Fitch. Citigroup Global Markets Limited has a long term/short term senior debt rating of A/A-1 by S&P. Citibank International Limited has a long term/short term senior debt rating of A/A-1 by Standard and Poor's Credit Market Services Europe Limited, A2/P-1 by Moody's and A/F1 by Fitch. Information relating to the current ratings of Citigroup Inc. and certain subsidiaries is available at www.citigroup.com/citi/investor/rate. If a Class and/or Series of Notes is rated by a rating agency, certain information with respect to such credit rating agencies and ratings will be set out in the applicable Pricing Supplement.

Underlying Linked Notes

Risks related to the structure of a particular issue of Notes

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

General risks and risks relating to Underlying(s)

Notes linked to Underlying(s) involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of such Notes should recognise that their Notes, other than any Notes having a minimum redemption value, may be worthless on redemption. Purchasers should be prepared to sustain a total loss of the purchase price of their Notes, except, if so indicated in the applicable Pricing Supplement, to the extent of any minimum redemption value attributable to such Notes. This risk reflects the nature of a Note as an asset which, other factors held constant, may tend to decline in value over time and which may become worthless when it matures (except to the extent of any minimum redemption value). See "*Certain factors affecting the value and trading price of Notes linked to Underlying(s)*" below. Prospective purchasers of such Notes should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such

Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Notes and the particular Underlying(s), as specified in the applicable Pricing Supplement.

The risk of the loss of some or all of the purchase price of a Note linked to Underlying(s) upon redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of a Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying(s). Assuming all other factors are held constant, the more a Note is "out-of-the-money" and the shorter its remaining term to maturity, the greater the risk that purchasers of such Notes will lose all or part of their investment. The only means through which a Noteholder can realise value from a Note prior to the maturity date in relation to such Note is to sell it at its then market price in an available secondary market. See "*The secondary market generally*" below.

Prospective investors should understand that although the Notes do not create an actual interest in, or ownership of, the relevant Underlying(s), the return on the Notes may attract certain of the same risks as an actual investment in the relevant Underlying(s).

Fluctuations in the value or the yield (if applicable) or the relevant rates of exchange (if applicable) of the relevant Underlying(s) will affect the value of the relevant Notes. Purchasers of Notes risk losing their entire investment if the value of the relevant Underlying(s) does not move in the anticipated direction.

The Issuer may issue several issues of Notes relating to particular Underlying(s). However, no assurance can be given that the Issuer will issue any Notes other than the Notes to which the applicable Pricing Supplement relates. At any given time, the number of Notes outstanding may be substantial. Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Underlying(s).

All Notes will be secured limited recourse obligations of the Issuer and the Notes of each Class, rank and will rank equally among themselves. The obligations of any Issuer Credit Enhancer under any Notes Guarantee will be direct, unconditional, unsubordinated and unsecured and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer Credit Enhancer. The Issuer's obligations under the Notes and any Issuer Credit Enhancer's obligations under any Notes Guarantee represent general contractual obligations of each respective entity and of no other person.

In particular, except in certain circumstances in relation to Physical Settlement Notes, a Note will not represent a claim against any Underlying and, in the event that the amount paid on redemption of the Notes is less than the nominal amount of the Notes, a Noteholder will not have recourse under any relevant Note to any security, share, bond, asset index, commodity, contract, currency or other item which may comprise the relevant Underlying(s) in respect of such Notes. The exposure to the relevant Underlying(s) is notional and an investment in the Notes is not an investment in the relevant Underlying(s). Although the performance of the relevant Underlying(s) will have an effect on the Notes, the relevant Underlying(s) and the Notes are separate obligations of different legal entities. Investors will have no legal or beneficial interest in the relevant Underlying(s). In addition, the Issuer, any Issuer Credit Enhancer, any Counterparty and/or any Credit Support Provider and/or any of their affiliates may enter into arrangements to hedge the obligations under the Notes, the Notes Guarantee and any Charged Agreements, as applicable, but are not required to do so. If they do so, then the Issuer, any Issuer Credit Enhancer, any Counterparty and/or any Credit Support Provider and/or any such affiliate will have certain rights under such hedging arrangements and may pursue actions and take steps that they deem appropriate to protect their own interests under such hedging arrangements without regard to the consequences for such Noteholders. A Noteholder will not have recourse to the applicable counterparty under any such hedging arrangements (unless such hedging arrangement is specified in the applicable Pricing Supplement to comprise security in respect of the Notes) and any such hedging arrangements will not confer any rights or entitlements on any Noteholders and will constitute separate obligations of the parties to them.

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The Notes will only be principal protected at final redemption if the applicable Pricing Supplement provides that the Final Redemption Amount per Specified Denomination of such Notes at maturity is an amount equivalent to at least the Specified Denomination of such Notes. However, investors should note that all payments under the Notes are subject to the credit risk of the Issuer, any Issuer Credit Enhancer, any Counterparty, any Credit Support Provider and any obligor under any Charged Assets. Furthermore, the Notes may be traded or redeemed early, and if so, the price for which a Note may be sold or redeemed early may be less than the denomination of such Note and/or an investor's initial investment in such Notes.

Investors should note that, if the Notes provide that the Final Redemption Amount per Specified Denomination of such Notes at maturity may be less than such Specified Denomination, such Notes are not principal protected at final redemption. If the Notes are not principal protected at final redemption or the Notes are cancelled or repaid early in accordance with their terms, the amount received by the relevant holders may be less than the initial investment. Furthermore, any amount due to be paid or delivered is subject to the credit risk of the Issuer, any Issuer Credit Enhancer, any Counterparty, any Credit Support Provider and any obligor under any Charged Assets.

Certain factors affecting the value and trading price of Notes linked to Underlying(s)

The amounts due and/or value of any asset to be delivered in respect of an issue of Notes at any time prior to the relevant maturity date is typically expected to be less than the trading price of such Notes at that time. The difference between the trading price and such amounts due and/or value of any assets to be delivered, as the case may be, will reflect, among other things, the "time value" of the Notes. The "time value" of the Notes will depend partly upon the length of the period remaining to maturity and expectations concerning the value of the Underlying(s). Notes offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of Notes varies as the price or level of the Underlying(s) varies, as well as due to a number of other interrelated factors, including those specified herein.

Before selling Notes, Noteholders should carefully consider, among other things, (i) the trading price of the relevant Notes, (ii) the value and volatility of the Underlying(s), (iii) the remaining tenor, (iv) in the case of Cash Settlement Notes, the probable range of any Final Redemption Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the Underlying(s) and (viii) any related transaction costs.

An investment in Notes linked to Underlying(s) may have significant risks that are not associated with a similar investment in a conventional security such as a debt instrument that:

- has a pre-determined specified principal amount;
- is denominated in the investor's currency; and
- bears interest at either a fixed or a floating rate based on nationally published interest rate references.

The risks associated with a particular Note linked to Underlying(s) will generally depend on factors over which the Issuer, the Arranger, any Issuer Credit Enhancer, any Counterparty, the Trustee and any Dealer have no control and which cannot readily be foreseen. These risks include:

- economic events;
- political events; and
- the supply of, and demand for, any relevant Underlying(s).

In recent years, prices for various Underlying(s) have been highly volatile. Such volatility may be expected in the future. Fluctuations in the rates, levels or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Notes linked to Underlying(s).

In addition, investors should be aware that the value of any relevant Underlying(s) may be determined or published by Citigroup Inc. or an affiliate thereof or determined or published by third parties or entities which are not subject to regulation under the laws of the United States or the European Economic Area.

The risk of loss as a result of linking principal and/or interest payments to Underlying(s) can be substantial and the payment of principal and/or interest may be contingent on the occurrence of certain events which may not occur. Each investor should consult their own financial and legal advisors as to the risks of an investment in Notes linked to Underlying(s).

Changes in exchange rates and exchange controls could result in a loss of the value of the Notes and payments in respect thereof in relation to the currency of the jurisdiction of an investor

An investment in Notes denominated in a Specified Currency other than the currency of the jurisdiction of a particular investor (the **investor's currency**), entails significant risks that are not associated with a similar investment in a security denominated in the investor's currency. These risks include, but are not limited to:

- the possibility of significant market changes in rates of exchange between the investor's currency and the Specified Currency;
- the possibility of significant changes in rates of exchange between the investor's currency and the Specified Currency resulting from the official redenomination or revaluation of the Specified Currency; and
- the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the investor's or foreign governments.

These risks generally depend on factors over which the Issuer, the Arranger, any Issuer Credit Enhancer, any Counterparty, the Trustee and any Dealer have no control and which cannot be readily foreseen, such as:

- economic events;
- political events; and
- the supply of, and demand for, the relevant currencies.

In recent years, rates of exchange between some foreign currencies in which the Notes may be denominated, have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Depreciation of the Specified Currency of a Note against an investor's currency would result in a decrease in the effective yield of such Note below its coupon rate (if applicable) and could result in a substantial loss to the investor in terms of the investor's currency.

Governments have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a Specified Currency at the time of payment of principal, any premium, or interest on any Note. There can be no assurance that exchange controls will not restrict or prohibit payments of principal, any premium, or interest denominated in any such Specified Currency.

Even if there are no actual exchange controls, it is possible that a Specified Currency would not be available to the Issuer, any Issuer Credit Enhancer and/or any Counterparty when payments on a Note are due because of circumstances beyond the control of any such person. Each investor should consult their own financial

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and legal advisors as to the risks of an investment in Notes denominated in a currency other than the investor's currency.

The above risks may be increased if any Specified Currency and/or an investor's currency is the currency of an emerging market jurisdiction.

The unavailability of currencies could result in a loss of value of the Notes and payments thereunder

Except as set forth below, if payment on a Note is required to be made in a Specified Currency and that currency is:

- unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Issuer;
- no longer used by the government of the country issuing the currency; or
- no longer used for the settlement of transactions by public institutions of the international banking community

then, if the Specified Currency of a Note is officially redenominated, other than as a result of Economic and Monetary Union, such as by an official redenomination of any Specified Currency that is a composite currency, then the payment obligations of the Issuer, any Issuer Credit Enhancer and/or any Counterparty in respect of such Note will be the amount of redenominated currency that represents the amount of such person's obligations immediately before the redenomination. The Notes will not provide for any adjustment to any amount payable as a result of:

- any change in the value of the Specified Currency of those Notes relative to any other currency due solely to fluctuations in exchange rates; or
- any redenomination of any component currency of any composite currency, unless that composite currency is itself officially redenominated.

Certain considerations associated with Notes relating to security indices

Investors in Notes relating to security indices should be familiar with investments in global capital markets and with indices generally. The level of a security index is generally based on the value of the component securities of that index although investors should note that the level of a security index at any time may not include the reinvestment of the yield on the component securities of such security index. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the component securities of a security index and/or the performance of a security index.

The risks of a particular Note linked to a security index will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in:

- the prices of component securities of the relevant index or indices (**component securities**) and the weighting of each component within the relevant index or indices;
- other objective prices; and
- economic or other measures making up the relevant security index or indices.

Investors should note that any dividends, other distributions and/or amounts paid to holders of the component securities will not be paid to the Issuer or to the holders of Notes. The return on Notes will thus

not reflect any such dividends, distributions or amounts which would be paid to investors that have made a direct investment in any such component securities. Consequently, the return on Notes may be less than the return from a direct investment in any such component securities.

Market volatility reflects the degree of instability and expected instability of the performance of a security index and the component securities. The level of market volatility is largely determined by the prices for financial instruments supposed to protect investors against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, economic factors and speculation. In recent years, currency exchange rates and prices for component securities have been highly volatile. Such volatility may be expected in the future. Fluctuations in the rates or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Note relating to security indices.

In considering whether to purchase Notes relating to security indices, each investor should be aware that the calculation of amounts payable or, as applicable, assets due on Notes relating to security indices may involve reference to:

- an index determined by an affiliate of the Issuer and/or Citigroup Inc. and/or any Counterparty; or
- prices that are published solely by third parties or entities which are not regulated by the laws of the United States, the European Economic Area or the jurisdiction of the particular investor.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to security indices

As the Terms and Conditions of Notes relating to security indices include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any security index (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging; (b) such security index (i) not being calculated and announced by or on behalf of the relevant index sponsor but instead being calculated and announced by or on behalf of a successor to the relevant index sponsor or (ii) being replaced by a successor index; or (c) any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the security index the subject of the Adjustment Event with a new security index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such security index or a security index selected by reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to an Additional Disruption Event) shall be an Early Redemption Event.

If the Calculation Agent determines that a Security Index Adjustment Event occurs (being, in respect of a security index, the relevant index sponsor announcing that it will make a material change to a relevant security index, the index sponsor permanently cancelling the index and no successor index existing or the

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index sponsor or any other person or entity acting on its behalf failing to calculate and announce the relevant index), then the Calculation Agent may determine whether such Security Index Adjustment Event has a material effect on the relevant Notes and, if so, shall either (A) calculate the relevant level of such security index in accordance with the formula for and method of calculating the relevant security index last in effect prior to the applicable change, cancellation or failure and/or (B) substitute the affected security index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such security index or a security index selected by reference to such other criteria as specified in the applicable Pricing Supplement and determine any adjustment necessary to the terms of the Notes to account for such substitution and/or (C) make such adjustments to the terms of the Notes as it determines necessary or appropriate to account for the effect of such Security Index Adjustment Event. Any such calculation, substitution and/or adjustment may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no calculation or substitution can reasonably so be made, such Security Index Adjustment Event shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances in which the Calculation Agent determines that no adjustment or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging or an Additional Disruption Event), (b) no calculation or substitution can be made following a Security Index Adjustment Event, (c) the Issuer, any Counterparty or any Hedging Party is or will become subject to withholding or reporting obligations pursuant to Section 871(m) of the Internal Revenue Code (a **Section 871(m) Event**) or (d) any action or announcement of the intention to take action that affects the definition of "bona fide hedging" under the Commodity Exchange Act or increases the costs of performing the Issuer's obligations under the Note or of hedging (a **Hedging Disruption Early Termination Event**) (if specified in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions. There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to security indices should read "*Underlying Schedule 1 – Security Index Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to inflation indices

Investors in Notes relating to inflation indices should be familiar with investments in global capital markets and with indices generally.

The risks of a Note relating to inflation indices will depend on the terms of that Note. Many economic and market factors may influence an inflation index and consequently the value of Notes relating to inflation indices, including:

- general economic, financial, political or regulatory conditions and/or events; and/or
- fluctuations in the prices of various assets, goods, services and energy resources (including in response to supply of, and demand for, any of them); and/or
- the level of inflation in the economy of the relevant country and expectations of inflation.

In particular, the level of an inflation index may be affected by factors unconnected with the financial markets.

Any such factor may either offset or magnify one or more of the other factors.

Adjustment Events and Early Redemption in relation to Notes linked to inflation indices

If an underlying closing level for an inflation index for a specified reference month has not been published or announced by five business days prior to the relevant payment date, then the Calculation Agent shall determine a substitute index level. Any such substitution may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any inflation index (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging or (b) the imposition of increased or unexpected fees and costs for the use of such index on the Issuer, the Counterparty (if any) and/or any of their affiliates by the relevant index sponsor which the Calculation Agent deems material), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event including, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at sub-paragraph (b) or (c) above) shall be an Early Redemption Event.

If "Revision" is specified as applicable for an inflation index in the applicable Pricing Supplement, then any revision to an underlying closing level of an inflation index occurring before the relevant revision cut-off date shall be considered final and conclusive for the purpose of any determination made in respect of the Notes. If "No Revision" is specified as applicable in the applicable Pricing Supplement (or if "Revision" is not specified as applicable) then the first publication and announcement of an underlying closing level for such inflation index shall be final and conclusive. Further, if the Calculation Agent determines that the index sponsor of an inflation index has corrected an underlying closing level for such index to correct a manifest error no later than the earlier to occur of the relevant manifest error cut-off date and thirty calendar days following the first publication and announcement of such level, then the Calculation Agent may use the corrected level of such inflation index for the purposes of any calculation in respect of the relevant payment date. In the event of inconsistency between a revision and a manifest error correction, the manifest error correction shall prevail. Any such adjustment (or absence of an adjustment, for the purpose of the Notes) to any level of an inflation index may have an adverse effect on the value of the Notes.

If the Calculation Agent determines that either (a) a level for an inflation index has not been published or announced for two consecutive months and/or (b) the relevant index sponsor announces that it will no longer continue to publish or announce such inflation index and/or (c) the relevant index sponsor cancels such inflation index then the Calculation Agent may replace the originally-designated inflation index with a successor index. Any such adjustment may have an adverse effect on the value of the Notes and, if no successor index can be determined, then an Early Redemption Event shall occur with respect to the Notes.

If an index sponsor announces, in respect of an inflation index, that it will make a material change to a relevant inflation index then the Calculation Agent shall make such consequential adjustments to the terms of the Notes as are consistent with any adjustment made to any relevant fallback bond or as are necessary for such modified inflation index to continue as an inflation index for the purpose of the Notes. Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, then an Early Redemption Event shall occur with respect to the Notes.

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If an Early Redemption Event occurs (being (a) circumstances in which the Calculation Agent determines that no adjustment can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event is due to a Hedging Disruption or an Increased Cost of Hedging or the imposition of increased or unexpected fees and costs for the use of such index on the Issuer, the Counterparty (if any) and/or any of their affiliates by the relevant index which the Calculation Agent deems material), (b) no successor index can be determined or no adjustment can reasonably be made following a material change to a relevant inflation index, (c) a Section 871(m) Event or (d) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to inflation indices should read "*Underlying Schedule 2 – Inflation Index Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to commodity indices

Investors in Notes relating to commodity indices should be familiar with investments in global capital markets and with indices and commodities generally. The level of a commodity index is generally based on the value of the commodities and/or other securities comprised in that commodity index and, as such, investors in Notes relating to commodity indices should also read "*Certain considerations associated with Notes relating to commodities*" below. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the commodities and/or futures contracts comprising a commodity index and/or the performance of such index.

The risks of a particular Note relating to a commodity index will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in the prices of:

- the commodities and/or futures underlying the relevant index or indices;
- another objective price; and
- economic or other measures making up the relevant index or indices.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to commodity indices

The Terms and Conditions of Notes relating to commodity indices include provisions dealing with the postponement of a Valuation Date or postponement of the valuation of a component of a commodity index due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any commodity index (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) the substitution of a commodity index with a substitute commodity index due to the originally designated commodity index being either (i) not calculated and announced by or on behalf of the relevant index sponsor but instead being calculated and announced by or on behalf of a successor to the relevant index sponsor acceptable to the Calculation Agent, (ii) replaced by a successor index, (c) the imposition of increased or unexpected fees and costs for the use of such index on the Issuer, the

Counterparty (if any) and/or any of their affiliates by the relevant index sponsor which the Calculation Agent deems material or (d) the imposition of, change in or removal of any tax relating to any component of such commodity index or commodity relating to such component (if specified as applicable in the applicable Pricing Supplement) which the Calculation Agent deems material), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the commodity index the subject of the Adjustment Event with a new commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such commodity index or a commodity index selected by reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such increased cost of hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect and such increased costs). Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at sub-paragraph (c) or (d) above) shall be an Early Redemption Event.

If the Calculation Agent determines that a Commodity Index Adjustment Event occurs (being, in respect of a commodity index, the relevant index sponsor announcing that it will make a material change to a relevant commodity index, the index sponsor permanently cancelling the index and no successor index existing or the index sponsor or any other person or entity on its behalf failing to calculate and announce the relevant index), then the Calculation Agent may determine whether such Commodity Index Adjustment Event has a material effect on the relevant Notes and, if so, shall either (A) calculate the relevant level of such commodity index in accordance with the formula for and method of calculating the relevant commodity index last in effect prior to the applicable change, cancellation or failure and/or (B) substitute the affected commodity index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such commodity index or a commodity index selected by reference to such other criteria as specified in the applicable Pricing Supplement and determine any adjustment necessary to the terms of the Notes to account for such substitution and/or (C) make such adjustments to the terms of the Notes as it determines necessary or appropriate to account for the effect of such Commodity Index Adjustment Event. Any such calculation, substitution and/or adjustment may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no calculation or substitution can reasonably so be made, such Adjustment Event shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances in which the Calculation Agent determines that no adjustment or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging, the imposition of increased or unexpected fees and costs for the use of such index on the Issuer, the Counterparty (if any) and/or their affiliates by the relevant index sponsor which the Calculation Agent determines is material or an Additional Disruption Event), (b) no calculation or substitution can reasonably be made following a Commodity Index Adjustment Event, (c) a Section 871(m) Event or (d) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to commodity indices should read "*Underlying Schedule 3 – Commodity Index Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

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Certain considerations associated with Notes linked to commodities

Investors should note that the movements in the price of any relevant commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of a commodity or commodities may affect the actual yield of the Notes, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the commodities, the greater the effect on yield of the Notes.

Commodity futures markets are highly volatile. Commodity markets are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programmes and policies designed to influence commodity prices, world political and economic events, and changes in interest rates. Moreover, investments in futures and options contracts involve additional risks including, without limitation, leverage (margin is usually a percentage of the face value of the contract and exposure can be nearly unlimited). A holder of a futures position may find such position becomes illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the liquidation of unfavourable positions and subject an investor in a Note relating to commodities to such contract prices resulting in substantial losses.

Risk related to the possible rolling mechanism of commodity futures contracts

The yield on Notes relating to commodities may not perfectly correlate to the trend in the price of the underlying commodities as the use of such future commodity contracts generally involves a rolling mechanism. This means that the commodity futures contracts which expire prior to the relevant payment date under the relevant Notes are replaced with future commodity contracts that have a later expiry date. Investors may therefore only marginally benefit from any rise/fall in prices on such commodities.

Moreover, investors should consider that the commodity futures contracts could have a trend which differs significantly from that of the commodity spot markets. The trend in the price of a commodity futures contracts compared to the underlying commodity is closely linked to the present and future level of the production of the underlying commodity or to the level of estimated natural reserves, particularly in the case of energy commodities. In addition, the price of the relevant commodity futures contract may not be considered an accurate prediction of a market price, since it also includes the so-called "carrying costs" (such as, for example, warehouse costs, insurance covering the goods, transportation etc.), which also contribute toward the determination of the price of the commodity futures contracts. These factors which directly influence the commodities prices substantially explain the imperfect correlation between the commodity spot markets and the commodity futures contracts.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to commodities

As the Terms and Conditions of Notes relating to commodities include alternative provisions for valuation and/or provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such alternative provisions for valuation or postponement may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any commodity (being the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in

respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event including, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances in which the Calculation Agent determines that no adjustment can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging), (b) the occurrence of a disruption event and any relevant disruption fallbacks fail (or are deemed to fail) to provide a relevant price in respect of a commodity and a valuation date or (c) a Section 871(m) Event, a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement) or an “abandonment of scheme” in relation to commodities that are emissions (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to commodities should read "*Underlying Schedule 4 – Commodity Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to shares

Investors in Notes relating to shares should be familiar with investments in global capital markets and with shares generally. Before purchasing Notes, investors should carefully consider, among other matters, the value and price volatility of shares by reference to which amounts payable or deliverable under the relevant Notes are calculated.

Notes will give rise to obligations of the Issuer and will not give rise to any obligations of any share company. No offer is made by any share company and no offer is made of other securities supported by or convertible into shares or other securities of any share company.

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

Except as provided in the applicable Pricing Supplement in relation to Physical Settlement Notes, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Notes relate notwithstanding that, if so specified in the applicable Pricing Supplement, Noteholders may be entitled to receive payments calculated by reference to the amount of dividends, distributions or other payments that would be received by a holder of the relevant

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shares. The return on such Notes may thus not reflect any dividends or other distributions which would be paid to investors that have made a direct investment in the relevant shares. Consequently, the return on Notes linked to shares may be less than the return from a direct investment in the relevant shares.

The risks of a Note relating to shares will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in the price(s) of the share or shares. The value of shares may go down as well as up and the value of any share on any date may not reflect its performance in any prior period. There can be no assurance as to the future value of any share or of the continued existence of any share or share company. In addition, in certain circumstances it may not be possible or practicable for the Calculation Agent to determine the value of the relevant shares – see "*Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to shares*" below. Accordingly, before making an investment decision with respect to Notes, prospective investors should carefully consider whether an investment, the return on which will depend on the performance of shares, is suitable for them.

In considering whether to purchase Notes relating to shares, each investor should be aware that the calculation of amounts payable on such Notes may involve reference to the performance of one or more shares over a period of time and to shares, the issuer(s) of which are incorporated outside the United States and the European Economic Area.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to shares

As the Terms and Conditions of the Notes include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of a share (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, or (b) a corporate action, de-listing, insolvency, merger event, nationalisation, tender offer and/or any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the share the subject of the Adjustment Event with a new share selected by the Calculation Agent from an applicable reference index or selected by reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustment(s) or substitution may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) or substitution can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at sub-paragraphs (b) to (h) above) shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging, a corporate action, de-listing, insolvency, merger event, nationalisation, tender offer and/or any Additional Disruption Event specified in the applicable Pricing Supplement), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to

investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to shares should read "*Underlying Schedule 5 – SHARE Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to depositary receipts

Investors in Notes relating to depositary receipts should be familiar with investments in global capital markets and with depositary receipts generally. Before purchasing Notes, investors should carefully consider, among other matters, the value and price volatility of depositary receipts and relevant underlying shares by reference to which amounts payable under the relevant Notes are calculated.

The Notes will give rise to obligations of the Issuer and will not give rise to any obligations of any depositary or any underlying share company. No offer is made by any depositary or any underlying share company and no offer is made of other securities supported by or convertible into depositary receipts, underlying shares or other securities of any depositary or any underlying share company.

No issuer of such depositary receipts or any underlying shares related to such depositary receipts will have participated in the preparation of the applicable Pricing Supplement or in establishing the terms of the Notes and none of the Issuer, the Counterparty (if any), and any Dealer will make any investigation or enquiry in connection with such offering with respect to the information concerning any depositary or any related underlying share company contained in such Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any applicable Pricing Supplement) that would affect the trading price of the depositary receipt or the underlying share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such depositary or underlying share company could affect the trading price of the depositary receipts and therefore the trading price of the relevant Notes.

Except as provided in the applicable Pricing Supplement in relation to Physical Settlement Notes, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant depositary receipts and/or underlying shares to which such Notes relate notwithstanding that, if so specified in the applicable Pricing Supplement, Noteholders may be entitled to receive payments calculated by reference to the amount of dividends, distributions or other payments that would be received by a holder of the relevant depositary receipts and/or underlying shares. The return on such Notes may thus not reflect any dividends or other distributions which would be paid to investors that have made a direct investment in the relevant depositary receipts and/or underlying shares. Consequently, the return on Notes linked to depositary receipts may be less than the return from a direct investment in the relevant depositary receipts and/or underlying shares.

The risks of a Note relating to depositary receipts will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in the price(s) of the depositary receipts. The value of depositary receipts may go down as well as up and the value of any depositary receipt on any date may not reflect its performance in any prior period. There can be no assurance as to the future value of any depositary receipts or of the continued existence of any depositary and/or underlying share company. In addition, in certain circumstances it may not be possible or practicable for the Calculation Agent to determine the value of the relevant depositary receipts – see "*Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to depositary receipts*" below. Accordingly, before making an investment decision with respect to Notes, prospective investors should carefully consider whether an investment, the return on which will depend on the performance of the depositary receipts and the underlying shares related to such depositary receipts, is suitable for them.

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In considering whether to purchase Notes relating to depositary receipts, each investor should be aware that the calculation of amounts payable on such Notes may involve reference to the performance of one or more depositary receipts and the related underlying shares over a period of time and to depositary receipts and/or underlying shares, the issuer(s) of which are incorporated outside the United States and the European Economic Area.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to depositary receipts

As the Terms and Conditions of the Notes include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of a depositary receipt and/or an underlying share (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) a corporate action, delisting, insolvency, merger event, nationalisation, tender offer, written instructions being given by an underlying share company to the relevant depositary to withdraw or surrender underlying shares or the termination of a relevant deposit agreement and/or any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the depositary receipt and/or the underlying share the subject of the Adjustment Event with a new depositary receipt selected by the Calculation Agent (referencing, where "same underlying share and currency" is specified as the Depositary Receipt Substitution Criteria in the applicable Pricing Supplement, the same underlying share and denominated in the same currency as the previous depositary receipt (and, if no such depositary receipt is selected or available, then the underlying share shall be substituted and a new depositary receipt selected in respect of such new underlying share) or in accordance with any other criteria specified in the applicable Pricing Supplement) and/or a new share selected by the Calculation Agent: (i) from an applicable reference index, or (ii) in accordance with the criteria (if any) specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustment(s) or substitution may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) or substitution can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at sub-paragraph (b) to (g) and/or (i) above) shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging, a corporate action, delisting, insolvency, merger event, nationalisation, tender offer and/or any Additional Disruption Event specified in the applicable Pricing Supplement), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to depositary receipts should read "*Underlying Schedule 6 – Depositary Receipt Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to ETF shares

Investors in Notes relating to exchange traded fund shares (**ETF shares**) should be familiar with investments in global capital markets and with ETF shares generally. Before purchasing Notes, investors should carefully consider, among other matters, the value and price volatility of ETF shares by reference to which amounts payable under the relevant Notes are calculated.

Notes will give rise to obligations of the Issuer and will not give rise to any obligations of the issuer of any ETF shares. No offer is made by any issuer of ETF shares and no offer is made of other securities supported by or convertible into ETF shares or other securities of any fund or other issuer of securities.

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

Investors should note that whilst ETF shares are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, the Adjustment Events in relation to Notes linked to ETF shares include certain adjustments which would be applicable to Notes linked to an underlying fund.

Except as provided in the applicable Pricing Supplement in relation to Physical Settlement Notes, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant ETF shares to which such Notes relate notwithstanding that, if so specified in the applicable Pricing Supplement, Noteholders may be entitled to receive payments calculated by reference to the amount of dividends, distributions or other payments that would be received by a holder of the relevant ETF shares. The return on such Notes may thus not reflect any dividends or other distributions which would be paid to investors that have made a direct investment in relevant ETF shares. Consequently, the return on Notes linked to ETF shares may be less than the return from a direct investment in the relevant ETF shares.

The risks of a Note relating to ETF shares will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in the price(s) of the ETF shares. The value of ETF shares may go down as well as up and the value of any ETF share on any date may not reflect its performance in any prior period. There can be no assurance as to the future value of any ETF share or of the continued existence of any ETF share or the issuer of such ETF share. In addition, in certain circumstances it may not be possible or practicable for the Calculation Agent to determine the value of the relevant ETF shares – see "*Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to ETF shares*" below. Accordingly, before making an investment decision with respect to Notes, prospective investors should carefully consider whether an investment, the return on which will depend on the performance of ETF shares, is suitable for them.

In considering whether to purchase Notes relating to ETF shares, each investor should be aware that the calculation of amounts payable on such Notes may involve reference to the performance of one or more ETF

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shares over a period of time and to ETF shares, the issuer(s) of which are established outside the United States and the European Economic Area.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to ETF shares

As the Terms and Conditions of the Notes include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of an ETF share (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) a corporate action, de-listing, insolvency, merger event, nationalisation, tender offer, fund modification, strategy breach, regulatory action, cross-contamination and/or any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the ETF share the subject of the Adjustment Event with a new exchange traded fund share selected by the Calculation Agent (which shall be an exchange-traded fund share which, where "related index" is specified in the applicable Pricing Supplement, tracks such related index, or an index substantially similar in formula and calculation method, or an index selected by the Calculation Agent with reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustment(s) or substitution may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) or substitution can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at sub-paragraphs (b) to (l) above) shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging, a corporate action, de-listing, insolvency, merger event, nationalisation, tender offer, fund modification, strategy breach, regulatory action, cross-contamination and/or any Additional Disruption Event specified in the applicable Pricing Supplement), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to ETF Shares should read "*Underlying Schedule 7 – Exchange Traded Fund ("ETF") Share Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to mutual fund interests

Investors in Notes relating to mutual fund interests should be familiar with investments in global capital markets and with mutual funds generally. Before purchasing Notes, investors should carefully consider,

among other matters, the value and price volatility of mutual fund interests by reference to which amounts payable under the relevant Notes are calculated.

The Notes will give rise to obligations of the Issuer and will not give rise to any obligations of any mutual fund administrator, adviser or manager in respect of a mutual fund. No offer is made by any mutual fund administrator, adviser or manager in respect of a mutual fund and no offer is made of other mutual fund interests or any securities, investments or other assets in which any relevant mutual fund may trade or invest.

No mutual fund administrator, adviser or manager in respect of a mutual fund will have participated in the preparation of the applicable Pricing Supplement or in establishing the terms of the Notes and none of the Issuer, the Counterparty (if any) and any Dealer will make any investigation or enquiry in connection with such offering with respect to the information concerning any such mutual fund contained in such Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any applicable Pricing Supplement) that would affect the value of the mutual fund interest will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such mutual fund could affect the value of the mutual fund interest and therefore the trading price of the Notes.

Mutual funds may trade and invest in a broad range of investments such as debt and equity securities, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures and options. Mutual fund interests may be illiquid and may only be traded on an infrequent basis. Investors should review the applicable Pricing Supplement to ascertain the characteristics of any relevant mutual fund interest. The trading strategies of mutual funds are often opaque. Mutual funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities.

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

The value of mutual fund interests may be affected by the performance of the relevant fund service providers and in particular the relevant fund adviser.

Except as provided in the applicable Pricing Supplement in relation to Physical Settlement Notes, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant mutual fund interests to which such Notes relate notwithstanding that, if so specified in the applicable Pricing Supplement, Noteholders may be entitled to receive payments calculated by reference to the amount of dividends, distributions or other payments that would be received by a holder of the mutual fund interests. The return on such Notes may thus not reflect any dividends or other distributions which would be paid to investors that have made a direct investment in relevant mutual fund interests. Consequently, the return on Notes linked to mutual fund interests may be less than the return from a direct investment in the relevant mutual fund interests.

The risks of a Note relating to mutual fund interests will depend on the terms of that Note. Such risks may include, but are not limited to, the possibility of significant changes in the value(s) of the mutual fund interests. The value of mutual fund interests may go down as well as up and the value of any mutual fund interest on any date may not reflect its performance in any prior period. There can be no assurance as to the future value of any mutual fund interest or of the continued existence of any mutual fund interest or the issuer of such mutual fund interest. In addition, in certain circumstances it may not be possible or practicable for the Calculation Agent to determine the value of the relevant mutual fund interest – see "*Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to mutual fund interests*" below. Accordingly, before making an investment decision with respect to Notes, prospective

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investors should carefully consider whether an investment, the return on which will depend on the performance of mutual fund interests, is suitable for them.

In considering whether to purchase Notes relating to mutual fund interests, each investor should be aware that the calculation of amounts payable on such Notes may involve reference to the performance of one or more mutual fund interests over a period of time and to mutual fund interests, the issuer(s) of which are established outside the United States and the European Economic Area.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to mutual fund interests

As the Terms and Conditions of the Notes include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of a mutual fund interest (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) a corporate action, insolvency, merger event, nationalisation, adviser resignation event, fund modification, strategy breach, regulatory action, reporting disruption, cross-contamination and/or failure by a fund service provider and/or any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the mutual fund interest the subject of the Adjustment Event with a new mutual fund interest selected by the Calculation Agent (in a fund which provides daily liquidity, the shares or units of which may be subscribed, sold to or redeemed by the fund (subject to giving no more than two fund business days' notice and no charges being imposed by the fund), and which in the determination of the Calculation Agent, has the same or substantially similar strategies, and the same currency as, the affected mutual fund). Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustment may also include a monetisation, whereby the Calculation Agent shall determine the value of the mutual fund interest affected by the relevant Adjustment Event on a date selected by the Calculation Agent and shall make such adjustments to the terms of the Notes so that the Notes reference such value (and interest thereon) rather than such mutual fund interest. Any such adjustment(s) or substitution may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) or substitution can reasonably so be made, such Adjustment Event shall be an Early Redemption Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to the circumstances set out at subparagraphs (b) to (l) above).

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption, an Increased Cost of Hedging, a corporate action, insolvency, merger event, nationalisation, adviser resignation event, fund modification, strategy breach, regulatory action, reporting disruption, cross-contamination and/or failure by a fund service provider), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no

guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to mutual fund interests should read "*Underlying Schedule 8 – Mutual Fund Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to currency exchange rates

Investors in Notes relating to currency exchange rates should be familiar with investments in global capital markets and with currency exchange rates generally. An investment in Notes linked to currency exchange rates may bear similar market risks to a direct investment in foreign exchange and investors should take advice accordingly.

Movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the currency exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In addition, Notes linked to currency exchange rates may be linked to emerging market currencies and, as such, may experience greater volatility and less certainty as to future levels or as against other currencies. Emerging market currencies are highly exposed to the risk of a currency crisis happening in the future and this could result in the occurrence of a Disrupted Day – see "*Disrupted Days*" below.

Fluctuations in exchange rates and implied volatility of the relevant currency (or basket of currencies) will affect the value of the relevant Notes. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see "*Changes in exchange rates and exchange controls could result in a loss of the value of the Notes and payments in respect thereof in relation to the currency of the jurisdiction of an investor*" above).

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to currency exchange rates where the EMTA Provisions are not specified as applicable in the applicable Pricing Supplement

As the Terms and Conditions of the Notes include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the Terms and Conditions of the Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of a currency exchange rate (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or the applicable Charged Agreements or materially increasing the Issuer's and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, or (b) a relevant country has lawfully converted or exchanged its currency for a successor currency, then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event including, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustment(s) may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to an Additional Disruption Event) shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) can reasonably be made following an Adjustment Event (unless, for Notes rated by a

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rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Where the EMTA Provisions are specified as applicable in the applicable Issue Terms

The Terms and Conditions of the Notes include provisions dealing with the consequences of a Disrupted Day. These consequences shall be determined in accordance with the Disruption Fallbacks specified in the applicable Pricing Supplement and may include (i) where Valuation Postponement is specified in the applicable Pricing Supplement, postponement of a Valuation Date due to the occurrence of a Disrupted Day; (ii) where First Fallback Reference Price or Second Fallback Reference Price is specified in the applicable Pricing Supplement, determination of the Underlying Closing Level for the relevant Valuation Date by reference to alternative prices for the applicable currency exchange rate; and (iii) where Calculation Agent Determination is specified as applicable in the applicable Pricing Supplement, the Calculation Agent determining the Underlying Closing Level for the relevant Valuation Date. Such alternative provisions for valuation provided in the Terms and Conditions of the Notes may have an adverse effect on the value of such Notes. The Valuation Postponement provisions, if applicable, may result in a Noteholder receiving payments in respect of the Notes after the originally scheduled date for payment.

If the Calculation Agent determines that an Adjustment Event occurs in respect of a currency exchange rate (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or the applicable Charge Agreements or materially increasing the Issuer's and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging or (b) any relevant rate which as of the Trade Date is reported, sanctioned, recognised, published, announced or adopted (or similar action) by the relevant Government Authority and any such rate cease to be so reported, sanctioned, recognised, published, announced or adopted (or similar action)), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event including, in the case of an Increased Cost of Hedging, adjustments to pass on to Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs) and in the case of a successor rate, determination of the relevant rate by reference to the official successor rate. Any such adjustment(s) may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment(s) can reasonably so be made, such Adjustment Event (unless for Notes rated by a Rating Agency, such Adjustment Event relates to an Additional Disruption Event) shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances where the Calculation Agent determines that no adjustment(s) can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging), (b) a Section 871(m) Event or (c) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the Conditions of the relevant Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Settlement Disruption

If, in the opinion of the Calculation Agent, payment of any amount due in respect of the Notes cannot be made by it in the Specified Currency on any date on which payment is scheduled to be made under the Notes due to the occurrence of a Currency Settlement Disruption Event (being the imposition of restrictions on the transferability, purchase and holding of the Specified Currency or its non-acceptance by a clearing system or its replacement or disuse or its illiquidity or any circumstances beyond the control of the Issuer), then the Issuer shall be entitled to satisfy its obligations to the Noteholders by either (i) delaying any such payment until after the Currency Settlement Disruption Event ceases to exist or (ii) making such payment in United States dollars on, or as soon as reasonably practicable after, the relevant payment date. Any such delayed payment or payment in United States dollars will not constitute a default and holders shall not be entitled to further interest or any other payment in respect of such delay.

Investors in Notes relating to currency exchange rates should read "*Underlying Schedule 9 – FX Rate Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to Citi proprietary indices

Investors in Notes relating to Citi proprietary indices should be familiar with investments in global capital markets and with indices generally. The level of a Citi proprietary index is generally based on the value of its components (each, an **index component**), which may be securities, commodities, derivative instruments, indices or other types of assets, or any combination thereof, as described in the relevant index conditions and/or methodology. Investors in Notes relating to a particular Citi proprietary index should read the relevant index conditions and/or methodology, and the sub-sections set out in this risk factors section which relate to Notes linked directly to the index components of such Citi proprietary index. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the index components of a Citi proprietary index and/or the performance of a Citi proprietary index.

The risks of a Note relating to a Citi proprietary index will depend on the terms of that Note and the relevant index conditions and/or methodology. In particular, investors should also read any discussion of the risks of such Citi proprietary index, which are set out in the relevant index conditions and/or methodology. Such risks may include, but are not limited to, the possibility of significant changes in:

- the levels, prices, rates or values (as relevant) of the index components of such Citi proprietary index and the weighting of each such index component within such Citi proprietary index; and
- economic or other measures observed for the purposes of such Citi proprietary index.

A Citi proprietary index reflects the performance of notional investment positions in its index components. There is no actual portfolio of assets in respect of such Citi proprietary index to which any person is entitled or in which any person has any ownership interest, and no Citi proprietary index creates any obligation of any person connected with any index component. A Citi proprietary index merely identifies certain hypothetical investment positions, the performance of which will be used as a reference point for the purpose of calculating its level. The performance of a Citi proprietary index may be different from the result of any actual investment in any one or more of its index components. As disclosed in the relevant index conditions and/or methodology, the level of a Citi proprietary index may reflect the deduction of any notional fee or cost.

As disclosed in the relevant index conditions and/or methodology, any distribution, dividend and/or amount (**distribution**) paid to persons who have made an actual investment in any of the index components of a Citi proprietary index may not be reflected in the level of such Citi proprietary index.

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A distribution paid to persons who have made an actual investment in any of the index components of a Citi proprietary index will not be paid to the Issuer or to the holders of Notes relating to such Citi proprietary index. The return on such Notes will thus not reflect any such distribution. Consequently, the return on such Notes may be less than the return from a direct investment in any such index components.

The strategy that a Citi proprietary index aims to reflect may not be successful, and other strategies using constituents which are the same as the index components of such Citi proprietary index may perform better than such Citi proprietary index. Investors in Notes relating to such Citi proprietary index should therefore review the relevant index conditions and/or methodology to assess the strategy that such Citi proprietary index has been developed to reflect.

The index conditions and/or methodology of a Citi proprietary index describe the manner in which the relevant index calculation agent performs all calculations, determinations, rebalancings and adjustments in respect of such Citi proprietary index, and the limited circumstances in which the relevant index sponsor may amend the index conditions and/or methodology of such Citi proprietary index. The index conditions and/or methodology of a Citi proprietary index also describe the conflicts of interest which may arise for the relevant index calculation agent and its affiliates.

In addition, investors should be aware that the calculation of amounts payable on Notes relating to a Citi proprietary index involves reference to an index that is determined by the Arranger, any Counterparty, and/or any of their respective affiliates, the level of which may not be widely published or available.

Disruption of an index component of a Citi proprietary index and determination of the level of such Citi proprietary index

The conditions and/or methodology of a Citi proprietary index will set out the frequency of the publication of its level. In the event that the level, price, rate or value (as relevant) of any of its index components is not available for any reason, the relevant index calculation agent may calculate the level of such Citi proprietary index for the relevant day by observing a valuation for the affected index component from a different day, or may delay the calculation of the level of such Citi proprietary index. Investors should review the conditions and/or methodology of such Citi proprietary index to determine how the level of such Citi proprietary index is calculated.

If "Component Valuation" is specified as applicable in the applicable Pricing Supplement and the level of the relevant Citi proprietary index has been published for a particular day, then if such day (a) is not a day on which valuations of an index component of such Citi proprietary index are scheduled to be observed, or (b) is a disrupted day for an index component of such Citi proprietary index (each, howsoever defined in the relevant index conditions and/or methodology of such Citi proprietary index), then any level of such Citi proprietary index calculated and published by the relevant index calculation agent for such day may be disregarded by the Calculation Agent, and the Calculation Agent may itself calculate the level of such Citi proprietary index for such day in accordance with the then-current methodology of such Citi proprietary index, but may do so by reference to the level, price, rate or value (as relevant) of the index components of such Citi proprietary index observed on subsequent days. This process may result in a level of such Citi proprietary index for such day being calculated by the Calculation Agent which is different to the published level of such Citi proprietary index, and may have an adverse effect on the value of the relevant Notes.

Disrupted Days, Adjustment Events and Early Redemption in relation to Notes linked to Citi proprietary indices

As the terms and conditions of Notes relating to Citi proprietary indices include provisions dealing with the postponement of a Valuation Date due to the occurrence of a Disrupted Day, such postponement or any alternative provisions for valuation provided in the terms and conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any Citi proprietary index (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the relevant Notes or materially increasing the Issuer's and/or any Counterparty's costs in relation to performing its obligations in respect of the relevant Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) the substitution of a Citi proprietary index with a substitute index due to the originally-designated Citi proprietary index being either (i) not calculated and announced by or on behalf of the relevant index sponsor but instead being calculated and announced by or on behalf of a successor to the relevant index sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index, or (c) the imposition of, change in or removal of any tax relating to any index component of such Citi proprietary index or other asset relating to such index component (if specified as applicable in the applicable Pricing Supplement), then (A) the Calculation Agent shall make such adjustment(s) to the terms of the relevant Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event, or (B) the Calculation Agent may replace the Citi proprietary index which is the subject of the Adjustment Event with either (1) a new index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such Citi proprietary index, or (2) a replacement index selected by reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustments may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging) shall be an Early Redemption Event.

If a Proprietary Index Adjustment Event occurs (being, in respect of a Citi proprietary index, (a) the relevant index sponsor announcing that it will make a material change to such Citi proprietary index, (b) the relevant index sponsor permanently cancelling such Citi proprietary index and no successor index existing, or (c) the relevant index sponsor or any other person or entity on its behalf failing to calculate and announce such Citi proprietary index), then the Calculation Agent may determine whether such Proprietary Index Adjustment Event has a material effect on the relevant Notes and, if so, shall either (i) calculate the relevant level of such Citi proprietary index in accordance with the formula for and method of calculating such Citi proprietary index last in effect prior to the applicable change, cancellation or failure, or (ii) substitute such Citi proprietary index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such Citi proprietary index or a replacement index selected by reference to such other criteria as specified in the applicable Pricing Supplement, and determine any adjustment necessary to account for such substitution. Any such calculation, substitution and/or adjustment may have an adverse effect on the value of such Notes and, if the Calculation Agent determines that no calculation or substitution can reasonably so be made, such Adjustment Event shall be an Early Redemption Event.

If an Early Redemption Event occurs (being circumstances in which the Calculation Agent determines that (a) no adjustment or substitution can reasonably be made following an Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging), or (b) no calculation or substitution can reasonably be made following a Proprietary Index Adjustment Event), then the relevant Notes will be redeemed as more fully set out in the terms and conditions of the relevant Notes. If the relevant Notes are redeemed early, then the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*)) or such other amount as is specified in the applicable Pricing Supplement. There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

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Investors in Notes relating to Citi proprietary indices should read "*Underlying Schedule 10 – Proprietary Index Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Certain considerations associated with Notes relating to dividend futures contracts

Investors in Notes relating to dividend futures contracts should be familiar with investments in global capital markets and with equity index dividends derivatives generally. The value of a dividend futures contract will generally track the dividends paid by the companies (each a **Relevant Company**) comprised in the equity index (the **Relevant Index**) relating to the relevant dividend futures contract from time to time during one calendar year. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the performance of such Relevant Companies and therefore on the value of the dividends paid by such Relevant Companies and the value of the relevant dividend futures contract. Before purchasing Notes relating to dividend futures contracts, investors should carefully consider, among other matters, the value and price volatility of dividend futures contracts and the performance of the Relevant Companies comprised in the Relevant Index by reference to which amounts payable under the relevant Notes are calculated.

Notes relating to dividend futures contracts will give rise to obligations of the Issuer and will not give rise to any obligations under the relevant dividend futures contract or any obligations of any Relevant Company. No offer is made by the sponsor of the relevant dividend futures contract or any Relevant Company. No sponsor of the relevant dividend futures contract will have participated in the preparation of the applicable Pricing Supplement or in establishing the terms of the Notes.

Not all types of dividends paid by a Relevant Company may be relevant for the purpose of determining the price of a dividend futures contract (for example, in general, ordinary dividends declared by a Relevant Company (paid in cash or shares) are considered as realised dividends, which, if so provided in the contract specifications for the relevant dividend futures contract, are relevant for the purpose of determining the price of dividend futures contracts, whereas special or extraordinary dividends are not generally considered as realised dividends and therefore, if so provided in the contract specifications for the relevant dividend futures contract will not be relevant for the purpose of determining the price of such dividend futures contract). Further, the Relevant Companies may change from time to time in accordance with the rules of the Relevant Index and such a change in Relevant Companies may have an adverse effect on the price of the dividend futures contract and amounts payable in respect of the Notes. Investors should refer to the contract specifications for the dividend futures contract and the index rules relating to the Relevant Index for details regarding the calculation methodologies (including which dividends will be included in the calculation of the dividend futures contract) and adjustments which may be made thereto (including to the Relevant Companies to be included in the Relevant Index). Investors should note that the performance of similar dividend futures contracts in respect of prior contract periods will not necessarily be indicative of the performance of the relevant dividend futures contract to which the Notes relate.

The market value of the Notes may, at any time, be affected by certain factors relating to dividend futures contracts which may include, but are not limited to, the possibility of significant changes in:

- the Relevant Companies comprised in the Relevant Index and expectations relating to the dividends to be announced in relation thereto;
- market interest and yield rates;
- the time remaining to the final settlement date of the relevant dividend futures contract; and
- economic, political and macro-economic factors.

Investors should understand that the value of the dividends paid by the Relevant Companies may be influenced by many factors, including the earnings and dividend policy of each such Relevant Company, changes in applicable laws and regulations, global economic, financial and political developments and structural supply and demand factors. Relevant Companies may pay reduced dividends or no dividends in respect of the relevant contract period. The amount of dividends paid by Relevant Companies in respect of similar periods may bear no relation to dividends paid during the relevant contract period. Any such changes may have an adverse effect on the amount of relevant dividends paid by Relevant Companies and, in turn, the price of the relevant dividend futures contract and amounts payable in respect of the Notes.

Adjustments to Valuation Dates, Adjustment Events and Early Redemption in relation to Notes linked to dividend futures contracts

As the Terms and Conditions of Notes relating to dividend futures contracts may include provisions dealing with (x) the postponement of a Valuation Date due to the occurrence of a Disrupted Day or (y) the variation of a Valuation Date following the announcement by the relevant dividend futures contract sponsor that the expiry date of a dividend futures contract will occur on an alternative date to that originally contemplated, such postponement, variation or any alternative provisions for valuation provided in the Terms and Conditions of such Notes may have an adverse effect on the value of such Notes.

If the Calculation Agent determines that an Adjustment Event occurs in respect of any dividend futures contract (being (a) the occurrence at any time of a change in law affecting any underlying hedging position in relation to the Notes or materially increasing the Issuer's and/or any Counterparty's costs in relation to performing its obligations in respect of the Notes or the applicable Charged Agreements, a Hedging Disruption or an Increased Cost of Hedging, (b) such dividend futures contract (i) not being calculated and announced by or on behalf of the relevant dividend futures contract sponsor but instead being calculated and announced by or on behalf of a successor to the relevant dividend futures contract sponsor or (ii) being replaced by a successor dividend futures contract or (c) any Additional Disruption Event specified in the applicable Pricing Supplement), then the Calculation Agent shall make such adjustment(s) to the terms of the Notes as the Calculation Agent determines necessary to account for the effect of such Adjustment Event or the Calculation Agent may replace the dividend futures the subject of the Adjustment Event with a new dividend futures selected by the Calculation Agent using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the dividend futures contract or a dividend futures contract selected by reference to such other criteria as specified in the applicable Pricing Supplement. Any such adjustment may include, in the case of an Increased Cost of Hedging, adjustments to pass onto Noteholders any such Increased Cost of Hedging (including, but not limited to, reducing any amounts payable or deliverable in respect of the Notes to reflect any such increased costs). Any such adjustments may have an adverse effect on the value of the Notes and, if the Calculation Agent determines that no adjustment can reasonably so be made, such Adjustment Event (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to an Additional Disruption Event) shall be an Early Redemption Event.

If a Dividend Futures Contract Adjustment Event occurs (being, in respect of a dividend futures contract, (i) the relevant exchange and/or dividend futures contract sponsor, as the case may be, announcing that it will make a material change or modification to a relevant dividend futures contract, (ii) the relevant exchange and/or the dividend futures contract sponsor, as the case may be, permanently cancelling or discontinuing the dividend futures contract or there otherwise being a permanent discontinuation in trading or trading never commencing in such dividend futures contract and no successor dividend futures contract existing, or (iii) any "final settlement price" not being displayed or published on the relevant electronic page or by the exchange at the relevant valuation time), then the Calculation Agent may determine whether such Dividend Futures Contract Adjustment Event has a material effect on the Notes and, if so, shall either (A) calculate the "final settlement price" of such dividend futures contract by calculating the value of the relevant dividends for the applicable contract period for such dividend futures contract by reference to the formula for and the method of calculation last in effect of any related dividend point index or such other sources as it

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deems appropriate and/or (B) make such adjustments to the terms of the Notes as it determines necessary or appropriate to account for the effect of the relevant Dividend Futures Contract Adjustment Event and/or (C) substitute such dividend futures contract with a replacement dividend futures contract and determine any adjustment necessary to account for such substitution. Any such calculation, substitution and/or adjustment may have an adverse effect on the value of the Notes and, if the Calculation Agent determines that no calculation, adjustment or substitution can reasonably so be made, such Dividend Futures Contract Adjustment Event shall be an Early Redemption Event.

If an Early Redemption Event occurs (being (a) circumstances in which the Calculation Agent determines that no adjustment or substitution can reasonably be made following an Adjustment Event, (unless, for Notes rated by a Rating Agency, such Adjustment Event relates to a Hedging Disruption or an Increased Cost of Hedging), (b) no calculation, substitution or adjustment can reasonably be made following a Dividend Futures Contract Adjustment Event, (c) a Section 871(m) Event or (d) a Hedging Disruption Early Termination Event (if specified as applicable in the applicable Pricing Supplement)), the Notes will be redeemed as more fully set out in the terms and conditions of the Notes. If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the Notes and such amount may be substantially less than the investor's initial investment.

Investors in Notes relating to dividend futures contracts should read "*Underlying Schedule 11 – Dividend Futures Contract Conditions*" of this Offering Circular and the applicable Pricing Supplement in order to fully understand the provisions relating to such Notes.

Mandatory early redemption of Notes

If "Mandatory Early Redemption Provisions" are specified as applicable in the applicable Pricing Supplement relating to an issue of Notes, then such Pricing Supplement will specify what constitutes a "Mandatory Early Redemption Event" and, following the occurrence of a Mandatory Early Redemption Event, the Notes will be redeemed on the Mandatory Early Redemption Date specified in the Pricing Supplement and the relevant Mandatory Early Redemption Amount specified in the applicable Pricing Supplement will become payable and no further amount shall be payable in respect of such Notes. In this case, investors are subject to a reinvestment risk, as they may not be able to replace their investment in such Notes with an investment that has a similar profile of chances and risks as the relevant Notes.

If any Notes are redeemed early in accordance with the above, the amount received by the relevant holders will be limited to the Mandatory Early Redemption Amount irrespective of the price of the relevant Underlying(s) or any other reference factor(s) applicable to such Underlying(s). Furthermore, investors will not benefit from any movement in the price of relevant Underlying(s) that may occur during the period between the relevant date of early redemption and the maturity date.

Settlement disruption event and failure to deliver

In the case of Physical Settlement Notes, if a Settlement Disruption Event occurs or exists on any date specified for the delivery of the relevant Entitlement, redemption will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances may select to deliver or procure delivery of the relevant Entitlement using such other commercially reasonable manner as it may select or it may pay the Disruption Cash Redemption Amount *in lieu* of delivering the Entitlement.

If, in relation to Physical Settlement Notes, "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Pricing Supplement and it is impossible or impracticable, in the opinion of the Calculation Agent, to deliver, when due, some or all of the Relevant Assets where such failure to deliver is due to illiquidity in the market for such Relevant Assets or Substitute Assets, the Issuer has the right to pay the

Failure to Deliver Redemption Amount *in lieu* of delivering or procuring delivery of some or all of such Relevant Assets which are affected by such illiquidity.

If "Aggregation of Entitlements" is specified as applicable in the applicable Pricing Supplement, Physical Settlement Notes which are held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes. Such aggregate Entitlements will be rounded up or down to the nearest Tradeable Amount of the Relevant Asset(s), in such manner as the Calculation Agent shall determine. If "Aggregation of Entitlements" is not specified as applicable in the applicable Pricing Supplement, the Entitlement in respect of each Specified Denomination will be rounded up or down to the nearest whole multiple of the Tradeable Amount of the Relevant Asset(s) in such manner as the Calculation Agent shall determine. Amounts of the Relevant Asset less than the Tradeable Amount shall not be delivered and no cash or other adjustment will be made in respect thereof unless "Cash Adjustment" is specified as applying in the applicable Pricing Supplement, in which case, the Issuer shall pay to the relevant Noteholder a cash amount equal to the value of any such lesser amount.

Realisation Disruption

If "Realisation Disruption" is specified as applicable in the applicable Pricing Supplement and a Realisation Disruption Event occurs (being, in summary, either (i) an event which imposes restrictions or taxes, charges or deductions in respect of the Notes and/or on hedging arrangements in respect of the Notes which would materially restrict, or materially increase the cost of, the Issuer's obligations under the Notes or the Counterparty's obligations under any applicable Charged Agreement or materially restrict, or materially increase the cost of, any Hedging Party's obligations under any such hedging arrangements or (ii) the occurrence or existence of any event which either materially restricts the exchange, delivery or transfer of the currency of payment of the Notes or under any applicable Charged Agreement or of any hedging arrangements in respect of the Notes or restricts the determination of any exchange rate in relation to any such currency), then either (a) the terms of the Notes (including any payment or delivery obligations) may be adjusted in order to reflect the economic effect of the particular Realisation Disruption Event or (b) the Issuer may redeem the Notes.

Investors should note that any such adjustments by the Calculation Agent may include (but are not limited to): (i) payments under the Notes being made in a different currency to the previously specified payment currency of the Notes, (ii) deduction of applicable taxes, charges or deductions from payments due in respect of the Notes resulting in reduced amounts paid in respect of the Notes or delivery of any Entitlement being subject to payment by the relevant Noteholder of an amount equal to a pro rata portion of any such tax, charge or deduction, (iii) delay of payments or deliveries in respect of the Notes until the relevant restrictions are lifted, (iv) determination of relevant exchange rates by the Calculation Agent taking into consideration all available information that it deems relevant, which may result in a different rate to that which would have applied had the Realisation Disruption Event not occurred and (v) (where legally permissible) in lieu of paying any cash amounts in respect of the Notes, procuring the physical delivery of any Underlying(s) (or vice versa). All the above could produce a materially different redemption to that originally anticipated in respect of the Notes.

If the Notes are redeemed early pursuant to (b) of the first paragraph above, the Issuer will pay to each Noteholder in respect of each Specified Denomination held by such holder the Early Redemption Amount (as determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions). There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

The U.S. federal tax consequences of an investment in the Notes are unclear

Due to the lack of controlling legal authority, the U.S. federal tax consequences of an investment in the Notes are unclear. As a result, the timing and character of income on the Notes are uncertain, and for a non-

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U.S. investor there is a risk that payments on the Notes may be subject to withholding tax. If withholding applies to the Notes, the Issuer will not be required to pay any additional amounts with respect to amounts so withheld.

Persons considering an investment in the Notes should review carefully the section of this Offering Circular entitled "*Taxation—Certain United States Federal Tax Considerations*" and consult their tax advisers regarding the U.S. federal tax consequences of an investment in the Notes (including possible alternative treatments), as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

The Notes are not intended for U.S. persons

The Notes are not permitted to be sold to and purchased by U.S. persons for U.S. federal income tax purposes. Based on the Issuer's intended treatment of the Notes as equity of the Issuer, a Noteholder that is a U.S. person will be subject to rules applicable to "passive foreign investment companies" or, possibly, rules applicable to "controlled foreign corporations". The application of either of these tax regimes is likely to result in adverse consequences to a Noteholder that is a U.S. person for U.S. federal income tax purposes. Moreover, the tax consequences arising from ownership and disposition of the Notes are uncertain, and an alternative treatment of the Notes might also result in adverse consequences. Finally, a U.S. person who invests in Notes will generally be required to file certain forms with the Internal Revenue Service (the **IRS**). See "*Taxation—Certain United States Federal Tax Considerations*" in this Offering Circular.

Section 871(m) Event

Proposed Treasury regulations under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (**Section 871(m)**), if finalized in their current form, could impose withholding after December 31, 2015 on Non-U.S. Holders (as defined in "*Taxation—Certain United States Federal Tax Considerations*" in this Offering Circular) at a rate of 30 per cent. (or lower treaty rate) on amounts treated as attributable to dividends from U.S. stocks underlying financial instruments such as the Notes. Pursuant to published guidance, these Treasury regulations are not expected to apply to Notes issued prior to 90 days after the date on which final Treasury regulations are published, although the occurrence of a taxable event, such as a significant modification of a Note that is treated as a deemed exchange for U.S. federal income tax purposes, may result in a loss of "grandfathered" status for such Notes.

If withholding is required pursuant to Section 871(m), the Issuer will not be required to pay any additional amounts with respect to amounts so withheld and, in circumstances that constitute a "Section 871(m) Event" (being the occurrence at any time of circumstances in which the Issuer and/or any Counterparty and/or any Hedging Party is (or, in the determination of the Calculation Agent, there is a reasonable likelihood that, within the next 30 Business Days, the Issuer and/or any Counterparty and/or any Hedging Party will become) subject to any withholding or reporting obligations pursuant to Section 871(m) with respect to the relevant Notes and/or any applicable Charged Agreement and/or any underlying hedging positions), an Early Redemption Event shall occur and the relevant Notes will be redeemed as more fully set out in the Conditions of such Notes.

If the Notes are redeemed early, the Issuer will pay to each Noteholder in respect of each Note an amount equal to the Early Redemption Amount (as determined in accordance with Condition 8(h) of the General Conditions) or such other amount as is specified in the applicable Pricing Supplement. There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the Notes and such amount may be substantially less than the investor's initial investment.

Certain considerations regarding hedging

Prospective purchasers intending to purchase Notes to hedge against the market risk associated with investing in the particular Underlying(s) should recognise the complexities of utilising Notes in this manner.

For example, the value of the relevant Notes may not exactly correlate with the value of the relevant Underlying(s). Due to fluctuating supply and demand for Notes, there is no assurance that their value will correlate with movements of the Underlying(s). For these reasons, among others, it may not be possible to purchase or liquidate assets in a portfolio at the prices used to calculate the value of any relevant index, security, commodity, futures contract or other asset.

Leveraging Risk

Borrowing to fund the purchase of the Notes (leveraging) can have a significant negative impact on the value of and return on the investment. Investors considering leveraging the Notes should obtain further detailed information as to the applicable risks from the leverage provider.

Variation of settlement

If the applicable Pricing Supplement in respect of any Notes indicate that the Issuer has an option to vary settlement in respect of such Notes, the Issuer may elect not to pay the relevant Noteholders the relevant Final Redemption Amount or to deliver or procure delivery of the relevant Entitlement, as the case may be, but, in lieu thereof to deliver or procure delivery of the relevant Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders, as the case may be.

Issuer's option to substitute assets or to pay the alternate cash redemption amount

If the Notes are Physical Settlement Notes, the Issuer may, if the Calculation Agent determines that the Relevant Asset or Relevant Assets, as the case may be, comprises securities which are not freely tradeable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets, or (ii) not to deliver or procure the delivery of the relevant Entitlement or the relevant Substitute Asset or Substitute Assets, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to the relevant Noteholders on the maturity date of the Alternate Cash Redemption Amount.

Expenses

All Expenses arising from the delivery of the Entitlement in respect of Physical Settlement Notes shall be for the account of the relevant Noteholder.

Expenses in respect of Physical Settlement Notes shall be deducted by or on behalf of the Issuer from any cash amount owing to such Noteholder and paid by the Issuer on behalf of the Noteholder or paid by the Issuer on behalf of such Noteholder by converting such amount of the Entitlement as necessary to pay the Expenses, as specified by the Noteholder in the relevant Asset Transfer Notice. If any Expenses are not so paid, the relevant Noteholder shall be deemed to authorise the Issuer to convert and the Issuer may convert such amount of the Entitlement into cash sufficient to cover the Expenses in respect of the relevant Note from which the Issuer shall deduct such Expenses.

Illegality, impossibility, force majeure and act of state in relation to Notes

If the Issuer determines that the performance of its obligations under an issue of Notes or any Counterparty's obligations under any relevant Charged Agreement, has become illegal or impossible in whole or in part for any reason and/or is prevented by reason of a force majeure or act of state occurring after such obligations are entered into, the Issuer may redeem the Notes early and the Redemption Agent shall arrange and administer the sale of any Charged Assets and any Charged Agreements will be terminated, if and to the extent permitted by applicable law, will pay to each Noteholder in respect of each Specified Denomination held by such holder, an amount equal to the Early Redemption Amount determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions in respect of each Specified Denomination notwithstanding such illegality, impossibility, force majeure or act of state. There is no

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guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Regulatory Event Redemption Risk

Where a Regulatory Event occurs, the Issuer will redeem the relevant Notes early, the Redemption Agent shall arrange and administer the sale of any Charged Assets and any Charged Agreements will be terminated and, if and to the extent permitted by applicable law, the Issuer will pay to each Noteholder in respect of each Specified Denomination held by such holder, an amount equal to the Early Redemption Amount determined in accordance with Condition 8(h) (*Early Redemption Amounts*) of the General Conditions in respect of each Specified Denomination notwithstanding such Regulatory Event. There is no guarantee that the amount repaid to investors will be equal to or higher than the investor's initial investment in the relevant Notes and such amount may be substantially less than the investor's initial investment.

Meetings of Noteholders and Modification

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters which may have a general or specific effect upon their interests. These provisions permit defined majorities to bind all Noteholders, including those Noteholders who did not attend and vote at the relevant meeting, and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Issuer may make, without the consent of the Noteholders but with the prior agreement of the Trustee, (i) any modification of, or to any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes the Trust Deed and/or the Charging Document (if any) or, in the case of modification, the Agency Agreement, the Charged Agreements and/or the Credit Support Document (if any) and/or the Notes Guarantee (if any) which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders (and, in the case of Notes of a Series comprising more than one Class of Notes, the holders of each class of Notes), provided however that no such modification shall be effective without the consent of the Counterparty (if any) (such consent not to be unreasonably withheld or delayed) or (ii) any modification to any of the same which is of a formal, minor or technical nature or to correct a manifest error.

Determinations

The terms of the Notes confer on the Issuer, the Calculation Agent and the Redemption Agent (if any) some discretion in making determinations and calculations in relation to, *inter alia*, Underlying(s) and the occurrence of various events. Whilst each such person will act in good faith and in its sole and absolute discretion (unless otherwise specified in the applicable Pricing Supplement), there can be no assurance that the exercise of any such discretion will not affect the value of the Notes or the occurrence of an early repayment.

Change of law

The Conditions of the Notes are based on relevant laws in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Offering Circular.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

Notes with a multiplier or other leverage factor can be volatile investments and Noteholders may not receive returns that directly correlate to the performance of the relevant Underlying(s)

Notes with variable interest rates and/or redemption amounts can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

Furthermore, the amounts payable under such Notes may not directly correlate to the rise and/or fall in price or level of an Underlying. For example, Notes may provide that any positive performance of any Underlying is subject to:

- (a) a percentage participation factor that is less than 100 per cent. of a price or level of such Underlying;
- (b) a cap or maximum amount; and/or
- (c) a negative spread or percentage deduction to a relevant price or level of such Underlying,

which, in each case, would mean that the positive performance (if any) of such Underlying is not fully accounted for in any relevant payment(s) made under the Notes.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed Rate Notes

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

Fixed/Floating Rate Notes

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

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Risks in investing in the form of certificateless depositary interests in CREST

Investors may also hold interests in Notes through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (**CREST**) through the issuance of dematerialised depositary interests (**CDIs**) issued, held, settled and transferred through CREST, representing interests in the relevant Notes. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the **CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**).

The rights of CDI Holders to Notes are represented by the relevant entitlements against the CREST Depository which (through the CREST Nominee (as defined herein)) holds interests in such Notes. Accordingly, rights under Notes underlying CDIs cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under such Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of such Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the Issuer, the Trustee, any Counterparty, any Manager, any Dealer, any distributor, any Paying Agent or the Registrar or any Transfer Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Changes in any applicable tax law or practice may have an adverse effect on a Noteholder

Any relevant tax law or practice applicable as at the date of this Offering Circular and/or the date of purchase or subscription of any Notes may change at any time (including during any subscription period or the term of any Notes). Any such change may have an adverse effect on a Noteholder, including that Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less than otherwise expected by such Noteholder.

Risks related to Implementation of Regulatory Reform

Implementation of recently-enacted U.S. federal financial reform legislation may affect the value of the Underlyings, which may ultimately affect the value, trading price and viability of the Notes. For example, the **Dodd-Frank Act**, would, upon implementation, impose limits on the maximum position that could be held by a single dealer in certain of the Underlyings and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by the Issuer and/or any Counterparty

or any of its affiliates. Other provisions of the Dodd-Frank Act could require certain Underlyings or hedging transactions to be cleared, traded on a regulated exchange and reported to regulators, central data repositories and, in some cases, the public. The Dodd-Frank Act also expands entity registration requirements and imposes business conduct requirements on persons active in the swaps market (which may include new capital and margin requirements), which may affect the value of the Underlyings or value and/or cost of hedging transactions. Such regulation may consequently affect the value, trading price and viability of the Notes. The implementation of the Dodd-Frank Act and future rulemaking thereunder could potentially limit or completely restrict the ability of the Issuer to hedge its exposure on the Notes, increase the costs of hedging or make hedging strategies less effective, which may then constitute an Adjustment Event in respect of certain Notes.

Reform of LIBOR and EURIBOR and proposed regulation of other "benchmarks"

The London Inter-bank Offered Rate (**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 proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted.

Key international proposals for reform of "benchmarks" include (i) IOSCO's *Principles for Oil Price Reporting Agencies* (October 2012) and *Principles for Financial Market Benchmarks* (July 2013), (ii) ESMA-EBA's *Principles for the benchmark-setting process* (June 2013) and (iii) the European Commission's *proposed regulation on indices used as benchmarks in financial instruments and financial contracts* (September 2013) (the **Proposed Benchmark Regulation**).

The Proposed Benchmark Regulation, if passed in its September 2013 form, would apply principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks" in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses of "benchmarks" of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where referenced in certain listed financial instruments, financial contracts and investment funds.

While further drafts of the Proposed Benchmark Regulation have been published as it progresses through the EU legislative process, it is presently unclear in what form it may be passed (including its broad scope) and, if so, when it would be effective. However, if so approved, it could have a material impact on any listed Notes linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used in certain ways if its administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Proposed Benchmark Regulation, 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 of the benchmark.

Either of the above could potentially lead to adjustments to the terms of the Notes or early redemption of the Notes depending on the particular "benchmark" and the applicable terms of the Notes.

More broadly, any of the international, national or other proposals for reform or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or

RISK FACTORS

requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". By way of example, the disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" may result in an adjustment to the terms and conditions of the Notes or other consequences, depending on the specific provisions of the relevant terms and conditions applicable to the Notes.

In addition to the international proposals for reform of "benchmarks" described above, there are numerous other proposals, initiatives and investigations which may impact "benchmarks". For example, there are ongoing global investigations into the potential manipulation of foreign exchange rate "benchmarks", which may result in further regulation of FX "benchmarks". On 22 December 2014 the UK Financial Conduct Authority published a consultation paper on bringing seven additional financial "benchmarks" into its regulatory and supervisory regime from 1 April 2015 (namely, SONIA, RONIA, ISDAFIX, WM/Reuters, London Gold Fixing, LBMA Silver Price and ICE Brent Index). This initiative followed a consultation launched in September 2014 by HM Treasury in relation to which additional major financial "benchmarks" should be brought into the regulatory framework originally implemented for LIBOR (as part of its Fair and Effective Markets Review). The Fair and Effective Markets Review (**FEMR**) was established in June 2014 to look at the way the wholesale financial markets (both regulated and unregulated) operate. It is expected to publish its final recommendations in June 2015. The FEMR "benchmark" regulation recommendations outlined above have been published as an interim output but, as part of the wider process of the FEMR, further considerations are expected to be given to "benchmarks", including giving consideration to potential recommendations to further strengthen the integrity of "benchmarks" administered overseas, to which participants in London's financial markets either contribute directly or use in their businesses.

Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other "benchmark" as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

Banking Act 2009

The Banking Act 2009 (the **Banking Act**) includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK authorised and established entities including deposit-taking institutions and investment firms and powers to recognise and give effect to certain resolution actions in respect of EEA and third country institutions. Relevant transaction parties for these purposes include Citigroup Global Markets Limited and Citibank, N.A.. The tools available under the Banking Act may be used in respect of relevant institutions and, in certain circumstances, their UK established banking group companies and such tools include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by such act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the authorities may choose to exercise them.

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of Citigroup Global Markets Limited or Citibank, N.A., such instrument or order may (amongst other things) affect the ability of such entity to satisfy its obligations under the Charged Agreement(s) and/or any other agreements or deeds in relation to the Notes (the **Transaction Documents**) and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Document or other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its obligations under a contract. In addition, powers may apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred. As a result, the making of an instrument or order in respect of Citigroup Global Markets Limited or Citibank, N.A. may affect the ability of the Issuer to meet its obligations in respect of the Notes.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of either Citigroup Global Markets Limited or Citibank, N.A. and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

Lastly, as a result of Directive 2014/59/EU providing for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EEA state other than the UK and/or certain group companies (such as the Issuer) could be subject to certain resolution actions in that other state. Once again, any such action may affect the ability of any relevant entity to satisfy its obligations under the Notes and/or the Transaction Documents and there can be no assurance that Noteholders will not be adversely affected as a result.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

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The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, any Issuer Credit Enhancer, any Counterparty, any Paying Agent (as defined in the Conditions of the Notes) or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

The proposed financial transactions tax (FTT)

On 14 February 2013 the European Commission issued proposals, including a draft Directive (the **Commission's proposal**) for a financial transaction tax (**FTT**) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Notes and/or any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and, in either case, may result in holders of the Notes receiving less than expected in respect of the Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of the Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Potential conflicts of interest

Where the Calculation Agent and/or the Redemption Agent (if any) is an affiliate of the Dealer, any Counterparty, any Issuer Credit Enhancer and/or any Credit Support Provider, potential conflicts of interest may exist between the Calculation Agent and/or the Redemption Agent (if any) and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent or the Redemption Agent,

as the case may be, may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable in respect of the Notes.

The Dealer, any Counterparty, any Issuer Credit Enhancer and/or any Credit Support Provider and/or any of their affiliates may be the sponsor of an Underlying and may publish values or prices in respect of an Underlying and may also from time to time engage in transactions involving Underlying(s) for their proprietary accounts or for other accounts under their management, subject to requirements of all applicable laws and regulations. The Dealer, any Counterparty, any Issuer Credit Enhancer and/or any Credit Support Provider and/or their affiliates may issue other derivative instruments in respect of any Underlying(s). The Dealer, any Counterparty, any Issuer Credit Enhancer and/or any Credit Support Provider and/or their affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies or companies whose securities are Underlying(s) in respect of one or more issues of Notes or in a commercial banking capacity for such companies. These activities may have a positive or negative effect on the value of the relevant Underlying(s) and consequently upon the value of the Notes.

The Issuer, any Dealer, any Counterparty, any Issuer Credit Enhancer, any Credit Support Provider and/or any of their affiliates may at the date hereof or at any time hereafter, be in possession of information in relation to an Underlying that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on any such person to disclose to any potential investors in Notes or to Noteholders any such information.

The Issuer, any Dealer, any Counterparty, any Issuer Credit Enhancer, any Credit Support Provider and/or any of their affiliates may have existing or future business relationships with the issuer of, or other entity associated with, any Underlying(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Where Notes are offered to the public, as the relevant Manager(s)/Dealer and any distributors act pursuant to a mandate granted by the Issuer and, in the case of a distributor, the Dealer as the case may be and they receive fees on the basis of the services performed and the outcome of the placement of such Notes, potential conflicts of interest could arise.

Information concerning the Underlying(s) and historic interest rates in the case of Floating Rate Notes

Information relating to the past and further performance and volatility of the Underlying(s) is available from internationally recognised published or electronically displayed sources, including the relevant Electronic Page specified in the applicable Pricing Supplement.

Information relating to historic interest rates in the case of Floating Rate Notes is available from internationally recognised published or electronically displayed sources, including the relevant Relevant Screen Page or, as the case may be, page referred to in the applicable Floating Rate Option, in each case, as specified in the applicable Pricing Supplement.

Post issuance information

The Issuer will not provide any post issuance information in relation to any Notes, any Underlying, any Charged Assets or Charged Agreements, except if required by any applicable laws and regulations.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, are incorporated in, and form part of, this Offering Circular:

- (a) the annual accounts of the Issuer for the period from 19 June 2012 to 31 December 2012 (the **2012 Annual Report**) and the annual accounts of the Issuer as at 31 December 2013 (the **2013 Annual Report**), which include the auditors' report for each of those years;
- (b) the unaudited semi-annual accounts of the Issuer as at 30 June 2014;
- (c) the Annual Report on Form 10-K of Citigroup Inc. for the year ended 31 December 2014 filed with the United States Securities and Exchange Commission (the **SEC**) on 25 February 2015 (the **2014 Form 10-K**);
- (d) the annual report and audited financial statements of Citigroup Global Markets Limited for the year ended 31 December 2013 (the **2013 CGML Annual Report**) together with the audit report prepared in connection therewith;
- (e) the unaudited interim report of Citigroup Global Markets Limited for the six months ended 30 June 2014 (the **2014 CGML Interim Report**);
- (f) the Base Prospectus dated 26 June 2012 relating to the Programme (the **2012 Base Prospectus**) (for the purpose of Notes issued in the form of the Fungible Pricing Supplement only).

The following information appears on the pages of the relevant documents as set out below:

1. Audited historical financial information of the Issuer in respect of the period from 19 June 2012 to 31 December 2012, as set out in the 2012 Annual Report, namely

	Page(s)
(a) Directors' Report	1-2
(b) Statement of the Legal Representatives	3
(c) Audit Report	4-5
(d) Balance Sheet	6
(e) Profit and Loss Account	7
(f) Notes to the Annual Accounts	8-10

2. Audited historical financial information of the Issuer in respect of the year ended 31 December 2013, as set out in the 2013 Annual Report, namely

	Page(s)
(a) Directors' Report	1-2
(b) Statement of the Legal Representatives	3
(c) Audit Report	4-5

DOCUMENTS INCORPORATED BY REFERENCE

(d)	Balance Sheet	6
(e)	Profit and Loss Account	7
(f)	Notes to the Annual Accounts	8-10

3. Unaudited semi-annual accounts of the Issuer as at 30 June 2014, namely

		Page(s)
(a)	Combined Balance Sheet	1
(b)	Combined Profit and Loss Account	2
(c)	Capital Department Balance Sheet	3
(d)	Capital Department Profit and Loss Account	4
(e)	Balance Sheet and Profit and Loss Account per Compartment	5-8

4. Audited historical consolidated financial information of Citigroup Inc. in respect of the years ended 31 December 2014 and 2013, as set out in the 2014 Form 10-K, namely:

		Page(s)
(a)	Consolidated Statement of Income	132-133
(b)	Consolidated Balance Sheet	135 – 136
(c)	Consolidated Statement of Changes in Stockholders' Equity	137-138
(d)	Consolidated Statement of Cash Flows	139-140
(e)	Notes and Accounting Policies	141 – 304
(f)	Report of the Independent Registered Accounting Firm – Consolidated Financial Statements of Citigroup Inc. as of 31 December 2013 and 2012 and for the years ended 31 December 2013 , 2012 and 2011	129

5. Other information relating to Citigroup Inc., as set out in the 2014 Form 10-K, namely:

		Page(s)
(a)	Description of the principal activities of Citigroup Inc.	2-28, 65, 68, 125-128, 307-312
(b)	Description of the principal markets in which Citigroup Inc. competes	12-29
(c)	Description of the principal investments of Citigroup Inc.	190-199

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(d)	Description of trends and events affecting Citigroup Inc.	4 – 7, 31, 52 – 64, 125 – 129, 132, 295-306 and 307 – 310
(e)	Description of litigation involving Citigroup Inc.	295 – 306
(f)	Risk Management	52– 121

6. Audited historical financial information of Citigroup Global Markets Limited in respect of the years ended 31 December 2012 and 2013 as set out in the 2013 CGML Annual Report:

	Page(s)	
(a)	Profit and Loss Account	16
(b)	Statement of Total Recognised Gains and Losses	17
(c)	Reconciliation of Movements in Shareholder's Funds	17
(d)	Balance Sheet	18
(e)	Notes to the Financial Statements	19-67
(f)	Independent Auditor's Report to the members of CGML	15

7. Unaudited interim financial information of Citigroup Global Markets Limited in respect of the six months ended 30 June 2014 as set out in the 2014 CGML Interim Report:

	Page(s)	
(a)	Interim Profit and Loss Account	5
(b)	Interim Statement of Total Recognised Gains and Losses	6
(c)	Interim Reconciliation of Movements in Shareholder's Funds	6
(d)	Interim Balance Sheet	7
(e)	Notes to the Interim Financial Statements	8-10

8. 2012 Base Prospectus:

	Page(s)	
(a)	Terms and Conditions of the Notes	89-182
(b)	Underlying Schedule 1 Share Index Conditions	183-190
(c)	Underlying Schedule 2 Inflation Index Conditions	191-196
(d)	Underlying Schedule 3 Commodity Index Conditions	197-203

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(e)	Underlying Schedule 4 Commodity Conditions	204-209
(f)	Underlying Schedule 5 Share Conditions	210-217
(g)	Underlying Schedule 6 Depositary Receipt Conditions	218-228
(h)	Underlying Schedule 7 Exchange Traded Fund ("ETF") Share Conditions	229-236
(i)	Underlying Schedule 8 Mutual Fund Conditions	237-246
(j)	Underlying Schedule 9 FX Rate Conditions	247-252
(k)	Underlying Schedule 10 Proprietary Index Conditions	253-257
(l)	Underlying Schedule 11 Dividend Futures Contract Conditions	258-262
(m)	Subscription and Sale	355-359

This Offering Circular and the documents incorporated by reference will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu). For the purposes of listing on the Luxembourg Stock Exchange, information not listed in the tables above, but included in the documents incorporated by reference, are for information purposes only.

In addition, all quarterly interim reports on Form 10-Q of Citigroup Inc., its Annual Reports on Form 10-K for fiscal years after 2014 and any other reports filed by Citigroup Inc. with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act, and the rules and regulations thereunder, subsequent to the date of the financial statements included in the 2014 Form 10-K will be available to the public on the SEC's website (<http://www.sec.gov>).

Copies of this Offering Circular and the documents incorporated by reference in it can be obtained from the registered office of the Issuer, being the address set out at the end of this Offering Circular and from the specified office of the Principal Paying Agent for the time being in London.

This Offering Circular should be read and construed in conjunction with any documents incorporated by reference therein, any supplement to this Offering Circular and any applicable Pricing Supplement and any document or information relating to the Issuer, Citigroup Inc., Citigroup Global Markets Limited and Citibank, N.A. subsequently filed with the Euro MTF and available on the Luxembourg Stock Exchange's web-site (www.bourse.lu), which will be deemed incorporated by reference in this Offering Circular. Any statement contained herein or in any document incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that any supplement to this Offering Circular or any other subsequently dated document incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

SUPPLEMENTS TO THE OFFERING CIRCULAR

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular, as the case may be, in accordance with the listing rules of the Luxembourg Stock Exchange.

FORM OF THE NOTES

The Notes of each Series will be issued in registered form, without receipts or coupons attached.

Notes will be issued in registered form and will be represented by a global note in registered form (a **Global Note**), without receipts, coupons or talons, which will be registered in the name of a common nominee for, and shall be deposited on or prior to its issue date with a common depository for, Euroclear and Clearstream, Luxembourg. Beneficial interests in a Global Note may not at any time be offered, sold or transferred to, or for the account or benefit of, any person other than a Permitted Purchaser or held at any time otherwise than through Euroclear or Clearstream, Luxembourg and each Global Note will bear a legend regarding such restrictions on transfer. In certain limited circumstances set out below, a Global Note may be exchanged for Notes in definitive form.

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

Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for Notes in definitive form without receipts, coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** shall mean that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified by the Trustee or any Agent that Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system acceptable to the Trustee is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes were in definitive form, and a certificate to such effect is given to the Issuer to the Trustee, or (iv) the Issuer and/or the relevant Issuer Credit Enhancer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg, which would not be suffered were the Notes in definitive form and a certificate to such effect is given by the Issuer and/or (as the case may be) the Issuer Credit Enhancer to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) of the General Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, the Issuer will issue definitive Registered Notes (in exchange for the whole of the Global Note) within 45 days of the occurrence of the relevant event upon presentation of the Global Note by the registered holder thereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Principal Paying Agent.

General

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

For so long as any of the Notes is represented by a Global Note, held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuer Credit Enhancer (if any), the Counterparty (if any), the Trustee and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal, premium (if any) and interest (if any) and/or delivery of any Entitlements (if any) on such principal amount of such Notes, for which purpose the relevant common nominee as registered holder shall be treated by the Issuer, the Issuer Credit Enhancer (if any), the Counterparty (if any), the Trustee and all Agents as the holder

of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note. The expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whether the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE NOTES

*Except as indicated below, the following (other than any provisions set-out in italicised text) are the terms and conditions of the Notes which will include the additional terms and conditions contained in Underlying Schedule 1 in the case of Security Index Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 2 in the case of Inflation Index Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 3 in the case of Commodity Index Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 4 in the case of Commodity Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 5 in the case of Share Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 6 in the case of Depositary Receipt Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 7 in the case of ETF Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 8 in the case of Mutual Fund Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 9 in the case of FX Rate Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 10 in the case of Proprietary Index Linked Notes, which will include the additional terms and conditions contained in Underlying Schedule 11 in the case of Dividend Futures Contract Linked Notes or which will include the additional terms and conditions contained in another appropriate Underlying Schedule (each an **Underlying Schedule** and together the **Underlying Schedules**) in the case of any Notes linked to any other underlying reference item or asset. The following terms and conditions will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto the following terms and conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace or modify the following terms and conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Pricing Supplement" for a description of the content of Pricing Supplement which will include the definitions of certain terms used in the following terms and conditions and/or will specify which of such terms are to apply in relation to the relevant Notes. References in the General Conditions (as defined below) to a Condition shall be deemed to be a reference to a Condition of the General Conditions, unless otherwise specified.*

This Note is one of a Series (as defined below) of Notes issued by Serenade Investment Corporation SA (the **Issuer**) constituted by the Trust Deed (as defined below).

References in these Conditions (the **General Conditions**) and in the applicable Underlying Schedules (together, the **Terms and Conditions**) to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by an unrestricted global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes in registered form (**Definitive Notes**).

The Notes are constituted by, and in accordance with, the Master Trust Deed dated 26 June 2012, between, *inter alios*, the Issuer and Citicorp Trustee Company Limited as original trustee (the **Original Trustee**, which expression shall include any successor original trustee) (as amended and/or supplemented and/or restated from time to time by trust deeds supplemental thereto but excluding any supplemental trust deed relating to a particular Tranche, Class or Series of Notes, the **Master Trust Deed**) and the Supplemental

Trust Deed relating to the Notes (the **Supplemental Trust Deed** and together with the Master Trust Deed, the **Trust Deed**) dated the Issue Date of the relevant Tranche (as specified in the applicable Pricing Supplement) between, *inter alios*, the Issuer, the counterparty (if any) to any Charged Agreement (as defined in Condition 3(c) (*Charged Agreements*) below) (each a **Counterparty** (such term to include any successors and assigns)) specified in the applicable Pricing Supplement and the Trustee (as defined below). The Notes are secured by the Trust Deed and/or (if and to the extent so specified in the applicable Pricing Supplement) by the separate charging document(s) referred to therein (each a **Charging Document**). For the purposes hereof, **Issue Date** means the issue date of the first Tranche of the Notes, unless otherwise specified.

In relation to any Series, either Citicorp Trustee Company Limited or another entity which has become an Additional Trustee by executing a Deed of Adherence in accordance with clause 24 of the Master Trust Deed shall be the Trustee as specified in the applicable Pricing Supplement and references in these Conditions and the Trust Deed to the **Trustee** shall be to the entity specified as such in the applicable Pricing Supplement and shall include any successor.

The Original Trustee holds the benefit of the Floating Charge (as defined below) and, in relation thereto, acts for the benefit of all Noteholders and for each Counterparty (if any) of all Notes issued under the Programme in accordance with the provisions of the Master Trust Deed.

The Notes have the benefit of an amended and restated Agency Agreement dated 12 March 2015 between, *inter alios*, the Issuer, the Original Trustee, Citibank, N.A. as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent), Citigroup Global Markets Limited as redemption agent (the **Redemption Agent**, which expression shall include any additional or successor redemption agent), Citibank, N.A. as agent bank (the **Agent Bank**, which expression shall include any additional or successor agent bank), Citigroup Global Markets Deutschland AG as registrar (the **Registrar**, which expression shall include any additional or successor registrar), the transfer agent named therein (each a **Transfer Agent**, which expression shall include any additional or successor transfer agent) and Citibank, N.A. and Citigroup Global Markets Limited as calculation agents, in each case if so specified in the applicable Pricing Supplement (each a **Calculation Agent**, which expression shall include any successor calculation agent, or such other entity as may be specified as the Calculation Agent in the applicable Pricing Supplement and any successor to any such entity) (the Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**). The Principal Paying Agent, any paying agent appointed pursuant to the provisions of the Agency Agreement (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), the Redemption Agent, the Agent Bank, the Registrar, the Transfer Agents and the Calculation Agent are hereinafter together referred to herein as the **Agents**.

If the Notes are secured by security interests over Charged Assets (as defined below) and unless otherwise provided in the applicable Pricing Supplement, (i) where the applicable Pricing Supplement specifies that the Custodian is Citibank International Limited (Luxembourg branch), the Notes have the benefit of an amended and restated Custodial Services Agreement dated 12 March 2015 between, *inter alios*, the Issuer, the Trustee and Citibank International Limited (Luxembourg Branch) as custodian or (ii) where the applicable Pricing Supplement specifies that the Custodian is an entity other than Citibank International Limited (Luxembourg Branch), the Notes have the benefit of the Custodial Services Agreement specified in the applicable Pricing Supplement. References in the Conditions to the **Custodian**, shall be deemed to be references to either Citibank International Limited (Luxembourg Branch) or such other custodian, as specified in the applicable Pricing Supplement, which expression shall include any additional or successor custodian and references to the **Custodial Services Agreement** shall be to the relevant Custodial Services Agreement, as further amended and/or supplemented and/or restated from time to time. If so specified in the applicable Pricing Supplement, the Notes may also have the benefit of an amended and restated Collateral Services Agreement dated 12 March 2015 between the Issuer, the Trustee and Citibank, N.A. as service provider (the **Collateral Services Agreement**).

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The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note and **Conditions** means, in relation to any Tranche of Notes, the Terms and Conditions, as completed, replaced and/or modified by the applicable Pricing Supplement.

The Trustee acts for the benefit of the **Noteholders** (which expression shall mean the persons in whose names the Notes are registered in the Register or the Duplicate Register if different from the Register (or, in the case of a joint holding, the first named thereof) and, in the case of Notes represented by a Global Note, be construed as provided below and **holder of Notes** shall be construed accordingly) in accordance with the provisions of the Trust Deed. The ownership of Notes shall be established by an entry in the Duplicate Register.

As used herein, **Tranche** shall mean, in relation to a Class of Notes which are in accordance with the Trust Deed to be issued in tranches, the initial tranche and any further tranches issued in accordance with the Trust Deed as it relates to that Class and **Class** shall mean a Tranche together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single Class and (ii) identical in all respects (including as to listing) except for the Issue Date of the relevant Tranche, Interest Commencement Dates and/or Issue Prices and **Series** means one or more Class(es) of Notes which is/are expressed to be secured on, *inter alia*, the same Mortgaged Property (as defined in Condition 3(a) (*Security*)) (notwithstanding that any such Class or Classes may be specified in the applicable Pricing Supplement to have recourse only to separate or different elements of such Mortgaged Property to any other such Class or Classes and notwithstanding that any such Class or Classes may rank ahead of any other Class or Classes comprising the same Series).

Copies of the Master Trust Deed, the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any Charged Agreements (as defined below), any Credit Support Document (as defined below), any Charging Documents and any Notes Guarantee (each as defined below) are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Pricing Supplement are available for viewing by holders at, and copies may be obtained by holders from, the registered office of the Issuer and from the specified office of each of the Paying Agents and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders are deemed to have notice of, are bound by and are entitled to the benefit of all the provisions of the Trust Deed, the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any relevant Charged Agreements, any relevant Charging Documents, any relevant Credit Support Documents, any relevant Notes Guarantee and the applicable Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any relevant Charged Agreements, any relevant Credit Support Documents, any relevant Charging Documents and any relevant Notes Guarantee.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of any inconsistency between the Trust Deed, the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

Where no reference is made in the applicable Pricing Supplement to any Charged Assets and/or any Charged Agreement and/or any Credit Support Document and/or any Notes Guarantee, as the case may be, references in these Conditions to any Charged Assets and/or any Charged Agreement and/or

any Credit Support Document and/or any Notes Guarantee and/or any Credit Support Provider and/or any Issuer Credit Enhancer and/or any Counterparty as the case may be, shall not be applicable.

1. FORM, DENOMINATION, TITLE, REGISTRATION, TRANSFER AND EXCHANGE

(a) *Form and Denomination*

The Notes are in registered form and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Underlying Linked Interest Note, a Dual Currency Interest Note, a combination of any of the foregoing or a Note which does not bear or pay any interest, depending upon the Interest Basis specified in the applicable Pricing Supplement.

This Note may redeem at par or be an Underlying Linked Redemption Note, a Dual Currency Note or an Instalment Note, or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Pricing Supplement.

The Notes are either Cash Settlement Notes and/or Physical Settlement Notes, depending upon the Settlement Basis specified in the applicable Pricing Supplement.

The Notes may be of a particular Class within one Series, as specified in the applicable Pricing Supplement.

(b) *Transfer and Title*

(i) *Title*

Subject as set out below, title to the Notes will pass upon registration of transfers in accordance with these Conditions and the provisions of the Trust Deed and the Agency Agreement. Subject as set out below, the holder of any Note will (except as otherwise required by law or ordered by a court of competent jurisdiction or an official authority) be treated as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes, subject as set out in sub-paragraph (ii) below in respect of Global Notes.

(ii) *Global Notes*

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuer Credit Enhancer (if any), the Counterparty (if any), the Trustee and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) in respect of such principal amount of such Notes, for which purpose the registered holder of the relevant Global Note shall be treated by the Issuer, the Issuer Credit Enhancer (if any), the Counterparty (if any) the Trustee and the Agents as the holder of such principal amount of such Notes in accordance with and

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subject to the terms of the Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferred only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be. References to Euroclear or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

(iii) *Transfer of Notes*

Unless otherwise provided in the applicable Pricing Supplement, Notes will initially be represented by a Global Note registered in the name of a nominee for, and deposited with the common depositary on behalf of, Euroclear and Clearstream, Luxembourg. Beneficial interests in a Global Note may not at any time be offered, sold or transferred to, or for the account or benefit of, any person other than a Permitted Purchaser or held at any time otherwise than through Euroclear or Clearstream, Luxembourg.

A **Permitted Purchaser** is a person that: (1) is not a "U.S. person" (as such term is defined under Rule 902(k)(1) of Regulation S under the U.S. Securities Act of 1933, as amended); (2) does not come within any definition of U.S. person for any purpose under the U.S. Commodity Exchange Act of 1936, as amended (the **CEA**), or any rule, guidance or order proposed or issued by the U.S. Commodity Futures Trading Commission (**CFTC Rule**) under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person); (3) is not, and whose purchasing and holding of the Notes is not made on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), a plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; and (4) is not a "United States person" within the meaning of Section 7701(a)(30) of the Code. Any transfer of an interest in a Global Note may only be made in accordance with the legend appearing on the face of such Global Note. No Notes represented by a Global Note may at any time be owned beneficially by a person that is not a Permitted Purchaser and holders of any such Notes will be subject to such additional certification requirements as to beneficial ownership as may be set forth in the applicable Pricing Supplement.

Subject as provided herein, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Definitive Note for registration of the transfer of the relevant Note (or the relevant part of the Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Trust Deed).

Subject as provided above, the Registrar will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other regulations), upon receipt by it of notification from a Transfer Agent of delivery to it of the relevant Definitive Notes for transfer (together with any certifications required by it), authenticate and issue duly dated and completed Definitive Notes in the name of the relevant registered holders and deliver such Definitive Notes at its specified office or at the specified office of the relevant Transfer Agent or (at the risk of the relevant registered holders) send the Definitive Notes by uninsured mail to such address as the registered holders may request.

In addition to the transfer restrictions set out herein, no beneficial owner of an interest in a Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg, as the case may be. Global Notes and Definitive Notes will be subject to certain restrictions on transfer set out in a legend or legends thereon.

Any such transfer will be effected without charge subject to (i) the costs or expenses of delivery otherwise than by ordinary uninsured mail as described below, (ii) the person making such application for transfer paying or procuring the payment of any stamp duty, tax or other governmental charge that may be imposed in relation to the registration of transfer, (iii) the Registrar or, as the case may be, the relevant Transfer Agent being satisfied with the documents of title and the identity of the person making the application or request and (iv) such reasonable regulations as the Issuer may from time to time agree with the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agents (including, where appropriate, accompanying evidence of compliance with all applicable laws).

The Issuer shall not be required to register the transfer of any Note (or part of any Note) called for redemption and, accordingly, may validly pay any redemption moneys or, as the case may be, make delivery of the Relevant Proportion of the Entitlement to the holder of such Note at the date such Note was called for redemption as if the purported transfer had not taken place.

The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Registrar or any Transfer Agent and to appoint another Registrar or Transfer Agent PROVIDED THAT it will at all times maintain a Registrar and a Transfer Agent approved by the Trustee each having a specified office in a place approved by the Trustee and, so long as any Notes are listed on the official list of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, a Transfer Agent in Luxembourg. Notice of any termination or appointment and of any changes in specified office will be given to the Noteholders promptly by the Issuer in accordance with Condition 16 (*Notices*).

There are contractual restrictions applicable to transfers of Notes which are set out in the legend included on such Notes and in the Trust Deed. Holders of Notes will be deemed to have notice of all such contractual restrictions and are required by the Issuer to comply with them. To the extent that, in the view of the Issuer, any such contractual restriction becomes inconsistent with any applicable law (whether because of a change in law or for any other reason), such contractual restriction shall no longer apply. This is without prejudice to the obligations of the Noteholder to comply with the requirements of all applicable laws in making any transfer of the Notes held by such Noteholder.

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(c) *Registration of Notes*

The Issuer will cause to be kept at the specified office of the Registrar outside the United Kingdom for the time being a register (the **Register**) on which shall be entered the names and addresses of the holders from time to time of the Notes, together with the particulars of the Notes held by them respectively and of all transfers of Notes. The Issuer will procure that, as soon as practicable after the Issue Date of the relevant Tranche, the Register is duly made up in respect of the subscribers of the Notes and certificates evidencing the Notes will be despatched. The Issuer has initially appointed the person named as Registrar in the applicable Pricing Supplement acting through its specified office set out in the applicable Pricing Supplement.

Each time the Register is amended or updated, the Registrar shall send a copy of the relevant Register to the Issuer who will keep an updated copy of the Register at its registered office (the **Duplicate Register**). In the event of inconsistency between the Register and the Duplicate Register, the Duplicate Register shall, for purposes of Luxembourg law, prevail. Each Note certificate will be numbered serially with an identifying number which will be recorded in the Register.

(d) *Exchange and Transfer of Notes*

- (i) Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for Notes in definitive form only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** shall mean that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified by the Trustee or any Agent that Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system acceptable to the Trustee is available, (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes were in definitive form and a certificate to such effect is given by the Issuer to the Trustee or (iv) the Issuer and/or the Issuer Credit Enhancer (if any) would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect is given by the Issuer and/or (as the case may be) the Issuer Credit Enhancer (if any) to the Trustee.
- (ii) Definitive Notes may, subject to Condition 1(b)(iii) (*Transfer of Notes*) and to the provisions of the Trust Deed and of the Agency Agreement, be transferred by the holder free of and without regard to any set-off, counterclaim or equities between the Issuer and the first or any subsequent holder of such Notes, in whole or in part (being the Specified Denomination specified in the applicable Pricing Supplement or an integral multiple thereof), by delivery of the relevant certificate or certificates evidencing ownership of the Note(s) to the Registrar at its specified office together with the form of transfer in writing endorsed thereon duly completed and signed and upon compliance with such reasonable requirements as the Issuer and the Registrar may prescribe (including an opinion of U.S. counsel that any such transfer is in compliance with any applicable securities or other laws of the United States) without charge but upon payment of any taxes, duties and other governmental charges in respect of such transfer. No transfer of a Note shall be recognised by the Issuer unless entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number) and the Registrar will not accept transfers of Notes to "bearer". The Registrar will within 14 days of any duly made request to register the transfer of a Note enter the transferee in the Register and deliver, a Note certificate to the transferee (and, in the case of transfer of part only of a Note, a Note certificate for the untransferred balance to the transferor) at the specified office of the Registrar, or (at the risk

and, if mailed at the request of the transferee or, as appropriate, transferor otherwise than by ordinary uninsured mail, expense of the transferee or, as appropriate, transferor) mail the Note certificate to such address, subject to the restrictions (if any) specified in the applicable Pricing Supplement, as the transferee (or, as appropriate, the transferor) may request or, alternatively, in the case of transfers effected through the stock exchange (if any) or market (if any) on which the Issuer has agreed to maintain a listing or admission to trading of the Notes, will deliver the Note certificate in accordance with the normal procedures and systems of such exchange or market. In the case of the transfer of only part of a Note, a new Note in respect of the balance of the Note not transferred will be delivered (as described above) to, and at the risk of, the transferor.

- (iii) In the event of a partial redemption of Notes under Condition 8 (*Redemption*), neither the Issuer nor the Registrar will be required to register the transfer of Notes (or parts of Notes) or to effect exchanges of interests in Global Notes for Definitive Notes during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive).

(e) *Forced transfer at option of the Issuer on void transfer or other disposition*

Any transfer or other disposition of any legal or beneficial ownership interest in a Note to:

- (i) a U.S. person as such term is defined in Rule 902(k)(1) under Regulation S under the U.S. Securities Act of 1933, as amended;
- (ii) a person that comes within any definition of U.S. person for any purpose under CEA, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the **CFTC**) thereunder (including but not limited to any person who is not a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of subsection (D) thereof the exception for qualified eligible persons who are not "Non-United States persons");
- (iii) a person that is, or whose purchase and holding of the Notes is made on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of ERISA, a plan, individual retirement account or other arrangement subject to Section 4975 of the Code, or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; or
- (iv) a "United States person" within the meaning of Section 7701(a)(30) of the Code,

(any person falling within Condition 1(e)(i), (ii), (iii) or (iv) above, a **Non-Permitted Purchaser**) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note.

Notwithstanding any other provision of these Conditions, the Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Purchaser to require such Non-Permitted Purchaser to sell such interest to (a) a Permitted Purchaser or (b) the Issuer or an affiliate of the Issuer, in each case, at a price equal to the least of (x) the purchase price therefor paid by such Non-Permitted Purchaser, (y) 100 per cent. of the principal amount of such interest and (z) the fair market value of such interest.

The Trustee shall be entitled to assume all Notes (and the beneficial interest therein) are held by Permitted Purchasers unless it has actual knowledge or express notice to the contrary and the Trustee

TERMS AND CONDITIONS OF THE NOTES

shall not be liable or responsible to any person by reason of any Notes being held by a Non-Permitted Purchaser.

2. STATUS OF THE NOTES

Condition 2(b) (Status of the Notes Guarantee) will only apply if an Issuer Credit Enhancer is specified in the applicable Pricing Supplement.

(a) *Status of the Notes*

The Notes of each Class are secured, limited recourse obligations of the Issuer, secured in the manner described in Condition 3 (*Security*) and recourse in respect of which is limited in the manner described in Condition 13 (*Enforcement*). The Notes of each Class rank and will rank *pari passu* without any preference among themselves.

Prior to enforcement of the security for the Notes, the proceeds of the Charged Assets (if any) and any other security forming part of the Mortgaged Property (as defined below) will be applied in accordance with the order of priorities set out in the applicable Pricing Supplement. In the event of the security for the Notes being enforced, the Realisation Amount (as defined below) will be applied in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement. Where the Notes are of a Series which comprises more than one Class of Notes, Notes of any such Class may have a different ranking in point of priority to Notes of the other Class or Classes within such Series, as specified in the applicable Pricing Supplement.

(b) *Status of the Notes Guarantee*

If so specified in the applicable Pricing Supplement, the obligations of the Issuer under the Notes and the Trust Deed may be supported by means of a guarantee, insurance policy or other form of credit enhancement (the **Notes Guarantee**) by the entity specified as the issuer credit enhancer in the applicable Pricing Supplement (the **Issuer Credit Enhancer**). The obligations of the Issuer Credit Enhancer under the Notes Guarantee will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer Credit Enhancer and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer Credit Enhancer from time to time outstanding.

3. SECURITY

(a) *Security*

The obligations of the Issuer under the Notes and/or under the Swap Agreement (as defined below) (if any) are, unless otherwise specified in the applicable Pricing Supplement, secured:

- (i) save to the extent effective security is otherwise taken over such assets pursuant to any relevant Charging Document, in the Trust Deed by security interests governed by English law over:
 - (A) certain bonds, notes, securities, commodities, other assets, or contractual or other rights specified to be Charged Assets in the applicable Pricing Supplement, (and, for the avoidance of doubt, any sale agreement in respect thereof (a **Sale Agreement**)) including all sums and/or assets received or receivable (if any) under any such bonds, notes, securities, commodities, other assets, or contractual rights, and all rights in respect thereof or relating thereto whether or not against third parties (together, the **Charged Assets**, which term shall include, unless otherwise specified

herein or in the applicable Pricing Supplement or the context otherwise requires, cash and/or securities from time to time transferred to the Issuer from the relevant Counterparty pursuant to the Credit Support Annex (as defined below) (the **ISDA Counterparty Collateral**)), such security interests to take the form of an assignment by way of a first ranking assignment of all the Issuer's rights, title and interest present and future in, to and under the Charged Assets, including, without limitation, all the Issuer's rights in respect of the Charged Assets or relating thereto and all sums and/or assets received or receivable (if any) under any such bonds, notes, securities, assets or contractual rights, and all rights in respect thereof or relating thereto whether or not against third parties, together with the debts represented thereby and all related interests and all proceeds of such Charged Assets; and

- (B) if so specified in the applicable Pricing Supplement, Credit Support Document(s) (as defined below), such security interests to take the form of an assignment by way of a first ranking assignment of all the Issuer's rights, title and interest present and future in, to and under the Credit Support Document(s) including all sums and/or assets received or receivable (if any) under such guarantee, letter of credit or arrangement, and all rights in respect thereof or relating thereto whether or not against third parties, together with the debts represented thereby and all related interests and all proceeds of such Credit Support Document(s); and/or
- (ii) if and to the extent specified in the applicable Pricing Supplement, in the Charging Document(s) specified in the applicable Pricing Supplement by security interests governed by the law specified in the applicable Pricing Supplement over:
 - (A) the Charged Assets; and/or
 - (B) the Credit Support Document(s); and/or
 - (C) all of the Issuer's rights, title and interest, present and future in, to and under any of its bank accounts in respect of the Notes and the debts represented thereby.

Unless and to the extent otherwise specified in the applicable Pricing Supplement and save to the extent effective security is otherwise taken over such assets pursuant to any relevant Charging Document, the obligations of the Issuer under the Notes are further secured in favour of the Trustee by, *inter alia*:

- (A) an assignment by way of a first ranking assignment of all of the Issuer's rights, title and interest present and future in, to and under the Agency Agreement, the Custodial Services Agreement and any Collateral Services Agreement in respect of the Notes (including, without limitation, the rights, title and interest of the Issuer in respect of all moneys and/or assets held from time to time by the Principal Paying Agent, the other Paying Agents, the Registrar, the Custodian and/or the Redemption Agent for payment of principal or interest (if any) and/or delivery of all assets deliverable in respect of the Notes or otherwise in relation to the Notes);
- (B) an assignment by way of a first ranking assignment of all of the Issuer's rights, title and interest present and future in, to and under the Charged Agreements (if any) in respect of the Notes;
- (C) an assignment by way of a first ranking assignment of all of the Issuer's rights, title and interest present and future in, to and under any of its bank accounts in respect of the Notes and the debts represented thereby; and

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- (D) such other security interest (if any) as may be specified in the applicable Pricing Supplement.

If the Notes are of a Series comprising more than one Class, the Mortgaged Property in respect of each Class of Notes shall be common (to the extent set out in the applicable Pricing Supplement) to the Notes of the Classes within such Series, subject to the provisions of Condition 3(e)(ii) (*Mortgaged Property secured in respect of a Series of more than one Class*) below and as described in the applicable Pricing Supplement.

The assets subject to the security referred to in paragraphs (i) and (ii) and (A) through (D) inclusive above are herein collectively referred to as **Mortgaged Property**.

The secured creditors of all Notes issued under the programme are also secured pursuant to the Master Trust Deed by a floating charge in favour of the Original Trustee over the assets of the Issuer (other than its share capital and the assets which have been allocated to a compartment) (the **Floating Charge**), which will become enforceable upon formal notice being given of an intention to appoint an administrator in relation to the Issuer or an application being made to, or a petition being lodged or a document being filed with, the court for administration in relation to the Issuer.

The Original Trustee shall hold the security created by the Floating Charge over the whole of the assets and undertaking(s) of the Issuer, both present and future (subject to certain other prior ranking security interests as specified in the Master Trust Deed) for the benefit of itself and as Original Trustee for all Noteholders and for each Counterparty (if any) in respect of all Notes issued under the Programme.

(b) *Charged Assets*

If so specified in the applicable Pricing Supplement, the obligations of the obligor under any Charged Assets are guaranteed or have the benefit of a letter of credit or other similar arrangement (each a **Credit Support Document**) from the credit support provider (the **Credit Support Provider**) specified in the applicable Pricing Supplement.

Unless and to the extent otherwise specified in the applicable Pricing Supplement, the Charged Assets, or documents comprising, evidencing, representing and/or transferring the Charged Assets, will be deposited with or held by the Custodian (on behalf of the Issuer, subject to the charges in favour of the Trustee, pursuant to the provisions of the Custodial Services Agreement).

If "Charged Asset Substitution" is specified as applicable in the applicable Pricing Supplement, alternative security (**Replacement Charged Assets**) may be substituted for the Charged Assets (other than the ISDA Counterparty Collateral) at the request of any Counterparty PROVIDED THAT such Replacement Charged Assets meet the Replacement Charged Assets Criteria.

Replacement Charged Assets Criteria means for the purposes of this Condition 3(b) (*Charged Assets*) and unless otherwise specified in the applicable Pricing Supplement:

- (a) the Replacement Charged Assets being denominated in the same currency, as the Charged Assets, PROVIDED THAT, if at the time of the proposed replacement no securities denominated in the same currency as the Charged Assets are outstanding that meet the Replacement Charged Assets Criteria, securities denominated in Euro, pounds sterling, U.S. dollars, Canadian dollars or Japanese yen, that otherwise meet the Replacement Charged Assets Criteria shall be deemed to meet all the Replacement Charged Assets Criteria and, for such purposes, the applicable currency exchange rate shall be determined by the relevant Counterparty by reference to such source(s) as it considers appropriate;

- (b) the Replacement Charged Assets having a scheduled maturity date no later than the scheduled maturity date of the Charged Assets;
- (c) either (i) each Counterparty having certified to the Issuer that the Issuer will not suffer a cost or loss or a reduction in the marked to market value of the relevant Swap Agreement as a result of such substitution or (ii) arrangements having been made which are reasonably satisfactory to the Issuer to compensate the Issuer for any cost or loss or reduction in marked to market value of any relevant Swap Agreement which it certifies to the relevant Counterparty that it will incur in connection with such substitution;
- (d) any relevant Rating Agency which rates the Notes in respect of which the substitution of Charged Assets is proposed having been notified of the proposed substitution;
- (e) the aggregate principal amount of the Replacement Charged Assets is equal to or greater than the aggregate principal amount of the Charged Assets, or its equivalent if the securities to be purchased as Replacement Charged Assets are not denominated in the same currency as the Charged Assets (as contemplated in criterion (a) above); and
- (f) the Additional Replacement Charged Assets Criteria (if any) specified in the applicable Pricing Supplement.

At 10.00 a.m. (London time) or as soon as reasonably practicable thereafter on the third Business Day following the date the relevant Counterparty requests substitution of Charged Assets (the **Request Date**), the Redemption Agent shall attempt to obtain at least three indicative bid quotations for the Charged Assets from dealers in obligations of the type of the Charged Assets (which may for the avoidance of doubt include the relevant Counterparty or any of its affiliates) for settlement on the eighth Business Day following the Request Date. On the same third Business Day, the Redemption Agent shall attempt to obtain at least three indicative offer quotations for the Replacement Charged Assets from dealers in obligations of the type of the Replacement Charged Assets (which may for the avoidance of doubt include the relevant Counterparty or any of its affiliates) for settlement on the eighth Business Day following the Request Date. If (i) no indicative bid quotation for the Charged Assets or (ii) no indicative offer quotation for the Replacement Charged Assets is available then the Redemption Agent shall be under no duty to obtain any further quotations and the Charged Assets shall not be replaced.

If at least one indicative bid quotation for the Charged Assets and at least one indicative offer quotation for the Replacement Charged Assets are available, the Redemption Agent shall use the highest indicative bid quotation for the Charged Assets (the **Highest Bid**) and the lowest indicative offer quotation for the Replacement Charged Assets (the **Lowest Offer**) to calculate (a) the estimated proceeds from a sale of the Charged Assets to the person (the **Highest Bidder**) submitting the Highest Bid and (b) the Estimated Replacement Charged Assets Cost.

The **Estimated Replacement Charged Assets Cost** shall be the estimated amount, determined by the Redemption Agent, of the purchase price for the Replacement Charged Assets from the person (the **Lowest Offeror**) submitting the Lowest Offer and shall include such additional sum that the Redemption Agent considers reasonable to allow for any difference between (a) the indicative offer quotation of the Lowest Offeror obtained on such date and (b) the firm offer quotation of the Lowest Offeror obtained in accordance with this Condition 3(b) (*Charged Assets*).

The Redemption Agent shall then ask the Highest Bidder to give its firm bid quotation to buy the Charged Assets for settlement on the eighth Business Day following the Request Date and shall ask the Lowest Offeror to give its firm offer quotation to sell the Replacement Charged Assets for settlement on the eighth Business Day following the Request Date. The Redemption Agent shall calculate whether the sum of (i) the proceeds from the sale of the Charged Assets if it were to accept

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the firm bid quotation of the Highest Bidder (the **Actual Proceeds**) and (ii) the Estimated Deficiency Amount is more or less than the actual purchase price of the Replacement Charged Assets if the Redemption Agent were to accept the firm offer quotation of the Lowest Offeror (the **Actual Replacement Charged Assets Cost**). If either or both of the Highest Bidder and the Lowest Offeror fail to provide such firm quotations in accordance with this provision or the Actual Proceeds would be less than the Actual Replacement Charged Assets Cost, the Redemption Agent shall not accept any bid submitted for the Charged Assets nor any offer submitted to sell the Replacement Charged Assets, shall not sell the Charged Assets or buy the Replacement Charged Assets.

If the Actual Proceeds would be equal to or greater than the Actual Replacement Charged Assets Cost, the Redemption Agent shall sell the Charged Assets to the Highest Bidder for settlement on the eighth Business Day following the Request Date and shall use the Actual Proceeds to purchase the Replacement Charged Assets from the Lowest Offeror for settlement on the eighth Business Day following the Request Date.

If applicable, upon the Redemption Agent's purchase of any Replacement Charged Assets as described in the preceding paragraphs, with effect from the date of the delivery of the Replacement Charged Assets, the payment obligations of the parties under each Swap Agreement shall be adjusted so that the payment obligations of the Issuer shall reflect the replacement of the Charged Assets with the Replacement Charged Assets and such that the Issuer will not suffer any cost or loss or reduction in the marked to market value of any Swap Agreement or arrangements are made reasonably satisfactory to the Issuer to compensate the Issuer for any cost or loss or reduction in the marked to market value of any Swap Agreement.

For the avoidance of doubt, any such Replacement Charged Assets shall thereafter be deemed to be Charged Assets and held subject to the security interests in favour of the Trustee as set out in the Trust Deed. The Issuer shall notify the Noteholders of such substitution in accordance with Condition 16 (*Notices*) not later than the date upon which the Replacement Charged Assets are substituted.

Where the Charged Assets are ISDA Counterparty Collateral and, pursuant to the terms of the Credit Support Annex either (a) any such ISDA Counterparty Collateral is required to be transferred from the Issuer to the relevant Counterparty, then the Trustee shall release such Charged Assets from the security created by the Trust Deed; and/or (b) any additional cash and/or securities are transferred from the relevant Counterparty to the Issuer, then such additional cash and/or securities shall be Charged Assets and held subject to the security interests in favour of the Trustee as set out in the Trust Deed.

Following the replacement of any Charged Assets with the Replacement Charged Assets or changes in the ISDA Counterparty Collateral as provided above, all requirements of any relevant stock exchange shall be complied with (including any requirement to notify such stock exchange).

The Original Trustee and the Trustee are exempted under the Trust Deed from any liability in respect of any loss or theft of the Charged Assets, from any obligation to insure the Charged Assets and from any claim arising from the fact that the Charged Assets are (if applicable) held by the Custodian, in a clearing system or in safe custody by a bank or other custodian. The Master Trust Deed also provides that the Original Trustee and the Trustee may accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in, to and under any of the Charged Assets and is not bound to make any investigation into the same or into the Charged Assets in any respect.

The Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any obligor in respect of the Charged Assets (including the Credit Support Provider (if any)), the validity of any such obligor's obligations under or in respect of the Charged Assets or any of the

terms of the Charged Assets (including, without limitation, whether the cash flows from the Charged Assets and the Notes are matched) or to monitor the value of any Charged Assets.

The Trust Deed and/or the Charging Document (as the case may be) provide(s), where appropriate, for the release of the Charged Assets (or part thereof) from the security constituted by the Trust Deed and/or the Charging Document (as the case may be) to realise or, as the case may be, take enforcement action in respect of the same and apply the net proceeds thereof in or towards satisfaction of the Issuer's obligations to the Trustee, the Noteholder(s) and/or the Counterparty (if any) on any purchase of Notes pursuant to Condition 10 (*Purchase*) or any redemption thereof pursuant to Condition 8 (*Redemption*) or on the Notes becoming due and repayable pursuant to Condition 12 (*Events of Default*).

To the extent that Charged Assets are repaid on a date prior to their maturity other than by reason of default or an obligor (including the Credit Support Provider (if any)) fails to make payments to the Issuer under the relevant Charged Assets (other than the Charged Assets comprised of ISDA Counterparty Collateral) on the due date therefor and to the extent that the Issuer Credit Enhancer (if any) fails to pay, subject to Condition 8(d) (*Redemption upon termination of the Charged Agreements*) and Condition 12 (*Events of Default*), the Notes will become repayable in accordance with Condition 8(b) (*Redemption in relation to the Charged Assets*).

- (A) All payments and/or delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).
- (B) To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:
 - (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);

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- (ii) **the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;**
- (iii) **without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and**
- (iv) **the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.**

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Original Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the.

(c) *Charged Agreements*

If so specified in the applicable Pricing Supplement, the Issuer has entered into one or more interest rate and/or currency and/or other exchange agreements and/or repurchase, reverse repurchase or securities lending agreements and/or other derivative, lending or hedging agreements (each a **Charged Agreement**) with one or more Counterparties. Where there is more than one Counterparty or Charged Agreement or, guarantee relating thereto, references to such terms in the Conditions shall be construed accordingly. Under a Charged Agreement, the Counterparty will make certain payments to the Issuer in respect of amounts due on the Notes (or, as the case may be, due by the Issuer in respect of its obligations under any other Mortgaged Property) and, if applicable, the Issuer will make certain payments to the Counterparty out of sums received by the Issuer or to the order of the Issuer on or in respect of the Charged Assets (or, as the case may be, received by the Issuer or to the order of the Issuer on or in respect of any other Mortgaged Property).

Unless otherwise specified to the contrary in the applicable Pricing Supplement, the terms of each Charged Agreement where documented on the basis of one or more confirmations and an ISDA Master Agreement (including the Schedule thereto and, if the transaction is specified to be a "Collateralised Transaction" in the applicable confirmation, credit support annex (the **Credit Support Annex**) thereto) (together, a **Swap Agreement**) provide that the relevant Counterparty may, without the consent of Noteholders or the Issuer, and upon providing five business days' prior written notice to the Trustee, transfer all or part of its interest and obligations in and under the relevant Swap Agreement to any affiliate of the relevant Counterparty (the **Transferee**) PROVIDED THAT the Transferee either: (i) has an at least equivalent credit rating as of the date of such transfer to that of the relevant Counterparty as of the date of such transfer; or (ii) is guaranteed by Citigroup Inc. or an affiliate of the relevant Counterparty that has a credit rating as at the date of such transfer that is at least equivalent to that of the relevant Counterparty as at the date of such transfer and PROVIDED THAT certain requirements and conditions set out in the Swap Agreement and the Supplemental Trust Deed have been satisfied. These requirements and conditions include (without limitation) the requirement that: (i) the Transferee shall, at the time of such transfer, have entered

into an relevant ISDA Master Agreement with the Issuer on substantially the same terms as the relevant ISDA Master Agreement between the Issuer and the relevant Counterparty; (ii) if so specified in the applicable Pricing Supplement, the condition that after the transfer of any part of the relevant Swap Agreement there will be no more than two Charged Agreements comprised of Swap Agreements (each documented by no more than one confirmation) at any one time; (iii) as of the date of such transfer the transferee will not, as a result of such transfer, be required to withhold or deduct on account of tax under the relevant ISDA Master Agreement, (iv) a Termination Event or an Event of Default (each as defined in the Swap Agreement) does not occur as a result of the transfer and (v) if applicable, each Rating Agency has provided prior written notification that the then current ratings of the Notes rated by such Rating Agency will not be adversely affected. Upon such transfer, the Calculation Agent shall adjust such of these Conditions as it shall determine to be appropriate to reflect that the relevant Counterparty has transferred all or part of its interest and obligations in and under the relevant Swap Agreement to an affiliate of the relevant Counterparty and shall determine the effective date of that adjustment.

Upon any such transfer, the Swap Agreement comprising the ISDA Master Agreement between the Issuer and the Transferee and any swap transaction between the Issuer and the Transferee as evidenced by any confirmation supplemental thereto and any guarantee relating thereto shall also be Charged Agreements.

The Charged Agreements will terminate on the Maturity Date unless terminated earlier in accordance with the terms thereof. In particular, the Charged Agreements will terminate in whole or in part (as applicable) if the Notes are redeemed pursuant to Condition 8 (*Redemption*) or purchased pursuant to Condition 10 (*Purchase*). In the event of an early termination, in the case of a Charged Agreement, either party may be liable to make a termination payment to the other in respect of any loss which that other party may have suffered as a result of such termination.

None of the Issuer or any Issuer Credit Enhancer or, as applicable the Counterparty under any Charged Agreement is obliged to gross up any payment to be made thereunder if withholding taxes are imposed. If the Issuer or the Counterparty, on the occasion of the next payment due under a relevant Swap Agreement, would or there is a substantial likelihood that it would be required due to a change in law to withhold or account for tax or would receive net of tax, its income relating to such Swap Agreement, the relevant Counterparty may require the Issuer to (i) transfer all its obligations under the Swap Agreement, the Notes, the Trust Deed, the Agency Agreement, the Custodial Services Agreement and any Collateral Services Agreement to another entity which would not have the obligation to withhold or deduct or to which the Counterparty would be entitled to make payments free from the relevant withholding or deduction or (ii) transfer its residence for tax purposes to another jurisdiction, in either case, subject to obtaining the prior written consent of the Trustee and confirmation from any relevant Rating Agency that the rating of the Notes will not be adversely affected. If the Issuer is unable to effect such transfer, the Counterparty may terminate such Swap Agreement, in which event the provisions of Condition 8(d) (*Redemption upon termination of the Charged Agreements*) shall apply, or the provisions of Condition 8(c) (*Redemption for taxation reasons at the option of the Noteholders*) shall apply.

Neither the Original Trustee nor the Trustee shall be bound or concerned to make any investigation into the creditworthiness of any of the Counterparty, the validity of any obligations of the Counterparty under or in respect of the Charged Agreement(s) or any of the terms of the Charged Agreements (including, without limitation, whether the cash flows from the Charged Assets, the Charged Agreements and the Notes are matched).

To the extent that the Counterparty fails to make payments due to the Issuer under any Charged Agreements and to the extent that the Issuer Credit Enhancer (if any) fails to pay, the Charged Agreements will be terminated and, subject to Condition 12 (*Events of Default*), the

Notes will become repayable in accordance with Condition 8(d) (*Redemption upon termination of the Charged Agreements*).

- (A) All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).
- (B) To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:
- (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the Relevant Sums) for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
 - (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes the Charged Agreement (if any), respectively;
 - (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim payment of any assets exceeding the Relevant Sums shall be automatically extinguished; and
 - (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

(d) *Realisation of Mortgaged Property upon redemption under Condition 12 (*Events of Default*)*

In the event of the security constituted under the Trust Deed and/or the Charging Document (as the case may be) over any of the Mortgaged Property becoming enforceable on an early redemption of Notes as provided in Condition 12 (*Events of Default*), the Trustee may in its discretion and, if so requested in writing by the holders of at least one-fifth in aggregate principal amount of, in the case of a Series of Notes comprising only one Class of Notes, the Notes then outstanding or, in the case of a Series of Notes comprising more than one Class of Notes where Notes of one or more Classes rank above the Notes of another or other Classes, the most senior ranking Class of Notes then outstanding or in the case of a Series of Notes comprising more than one Class of Notes where the Notes or each Class rank *pari passu*, of each Class of Notes or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of, in the case of a Series of Notes comprising only one Class of Notes, the Noteholders or, in the case of a Series of Notes comprising more than one Class of Notes where Notes of one or more Classes rank above the Notes of another or other Classes, the Noteholders of the most senior ranking Class of Notes then outstanding or by the Counterparty (if any) or in the case of a Series of Notes comprising more than one Class of Notes where the Notes or each Class rank *pari passu*, of each Class of Notes or by the Counterparty (if any), shall (but in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or the Counterparty (if any)), realise such Mortgaged Property and/or take such action as may be permitted under applicable laws against any obligor in respect of such Mortgaged Property, PROVIDED THAT the Trustee shall not be required to take any such action unless indemnified and/or secured and/or prefunded to its satisfaction and subject as provided in Condition 12 (*Events of Default*). On the happening of any such event, the Charged Agreement(s) (or part thereof) (if any) will terminate in accordance with its/their terms.

The Trust Deed, in relation to any relevant Series of Notes, contains provisions limiting the powers of holders of any Class of Notes ranking junior in point of priority to any other Class or Classes of Notes, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the more senior ranking Class or Classes of Notes. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of holders of any Class of Notes in respect of holders of any Class or Classes of Notes ranking junior thereto to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution, and any such action or Extraordinary Resolution will be binding on the holders of any junior ranking Class or Classes of Notes, irrespective of the effect thereof on their interests.

(A) All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the

provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).

- (B) To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:
- (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
 - (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
 - (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
 - (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*), nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder (if any) of the Charged Agreement(s) or the Credit Support Document(s).

None of the Original Trustee, the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

(e) *Application of proceeds*

- (i) *Mortgaged Property secured in respect of a Series of one Class only or in the case of Series of Notes comprising more than one Class but each Class ranks pari passu*

The Trust Deed provides that, in the case of a Series of one Class only or in the case of Series of Notes comprising more than one Class but each Class ranks *pari passu*, (subject to the provisions of Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*) and Condition 10 (*Purchase*)) the Realisation Amount (following payment of all amounts due to the Trustee, the Original Trustee and/or any appointee under or pursuant to the Trust Deed, including any costs, expenses and taxes incurred in connection with enforcement or realisation in accordance with the Trust Deed or any Charging Document) shall be applied:

- (A) in the case of the security granted over the Charged Assets and any relevant Credit Support Document(s) where there is no Charged Agreement, *pro rata* and on a *pari passu* basis in meeting the claims of the Noteholders under the Notes of that Series;
 - (B) in the case of the security granted over the Charged Assets and any relevant Credit Support Document(s) where there is a Charged Agreement, in accordance with the Security Ranking Basis specified in the applicable Pricing Supplement;
 - (C) in the case of the security granted over the Mortgaged Property other than the Charged Assets and any relevant Credit Support Document(s), *pro rata* and on a *pari passu* basis in meeting the claims of the Noteholders under the Notes of that Series; and
 - (D) if applicable, after payment in accordance with (A) or (B) and (C) above, to the Issuer Credit Enhancer (if any) in respect of any payments made under the Notes Guarantee relating to that Series or, if none, the Issuer or as otherwise directed by the Issuer.
- (ii) *Mortgaged Property secured in respect of a Series of more than one Class where the Notes of one or more Classes rank above the Notes of another or other Classes*

Where so specified in the applicable Pricing Supplement, the Issuer's obligations in respect of more than one Class of Notes within one Series may be secured upon the same Mortgaged Property. In such circumstances, and where the Notes of one or more Classes have a different ranking in point of priority to the Notes of another or other Classes, as described in the applicable Pricing Supplement, then the Trust Deed provides that, subject to the provisions of Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*) and Condition 10 (*Purchase*), upon enforcement of the security for the Notes, the Realisation Amount shall be applied in accordance with the Security Ranking Basis set out in the applicable Pricing Supplement and/or the applicable Supplemental Trust Deed.

- (iii) *Definitions relating to the application of proceeds*

For the purposes of this Condition 3(e) (*Application of proceeds*) and in respect of a Series of one Class of Notes only or in respect of a Series of more than one Class but where each such Class ranks *pari passu*, and if so specified as the Security Ranking Basis in the applicable Pricing Supplement:

- (A) **Primary Basis** shall mean that the Realisation Amount shall be applied (following payment of all amounts due to the Trustee, the Original Trustee and/or any appointee under or pursuant to the Trust Deed as aforesaid) first, *pro rata* and on a *pari passu* basis in meeting the aggregate claims of the Noteholders under the Notes (if applicable, applied in accordance with the relevant ranking of each Class within a Series) and thereafter in meeting the aggregate claims of the Counterparty (if any) under the Charged Agreement or, if more than one Counterparty, the Counterparties under the Charged Agreements on a *pro rata* and *pari passu* basis;

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- (B) **Pari Passu Basis** shall mean that the Realisation Amount shall be applied (following payment of all amounts due to the Trustee, the Original Trustee and/or any appointee under or pursuant to the Trust Deed as aforesaid) *pro rata* and on a *pari passu* basis in meeting the aforesaid claims of the Noteholders under the Notes (if applicable, applied in accordance with the relevant ranking of each Class within a Series) and the Counterparty (if any) under the Charged Agreement; and
- (C) **Secondary Basis** shall mean that the Realisation Amount shall be applied (following payment of all amounts due to the Trustee, the Original Trustee and/or any appointee under or pursuant to the Trust Deed as aforesaid) first, in meeting the aforesaid claims of the Counterparty (if any) under the Charged Agreement or, if more than one Counterparty, the Counterparties under the Charged Agreements on a *pro rata* and *pari passu* basis and thereafter *pro rata* and on a *pari passu* basis in meeting the aforesaid claims of the Noteholders (if applicable, applied in accordance with the relevant ranking of each Class within a Series).

In respect of a Series comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, the Security Ranking Basis shall be specified in the applicable Pricing Supplement.

For the purposes of these Conditions, **Realisation Amount** shall mean, unless otherwise specified in the applicable Pricing Supplement, the equivalent in the Specified Currency of the net assets of the realisation or, as the case may be, redemption of the Charged Assets or the Mortgaged Property as applicable, (or, as the case may be, part thereof) and/or, if applicable, the net assets due (if any) as a result of the termination of any Charged Agreement and/or, if applicable, any claim arising under the Credit Support Document(s) received by or on behalf of the Issuer (or, in the case of enforcement, by or on behalf of the Trustee), such net assets shall be determined having taken into account, for the avoidance of doubt, any taxes, duties, costs and expenses which may be incurred by or on behalf of the Issuer, Redemption Agent or, as the case may be, the Trustee and/or the Original Trustee, including taxes and other charges in connection with the delivery or sale of any Charged Assets or the Mortgaged Property, as the case may be, to the extent the net proceeds are received in respect thereof and any taxes, duties, costs and expenses due by the Issuer in connection with the issue of the Notes and the acquisition of any Charged Assets or the Mortgaged Property, as the case may be.

The terms of the realisation of any Charged Assets pursuant to the terms hereof shall be determined in the discretion of the Redemption Agent and none of the Redemption Agent, the Issuer and the Trustee shall be liable for any shortfall arising therefrom.

(f) *Shortfall after application of proceeds*

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes the other Mortgaged Property (as defined in Condition 3(a)) (Security) (applied (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (Application of proceeds) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).**

- (B) To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.
- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any) will be deemed to accept and acknowledge that it is fully aware that:
- (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
 - (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
 - (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
 - (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the Original Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

4. RESTRICTIONS

So long as any of the Notes remains outstanding, the Issuer will not, without the prior written consent of the Trustee and the Counterparty (if any):

- (i) engage in any activity or do anything whatsoever, except:
 - (aa) (A) issue Notes as contemplated by the Trust Deed (which may be rated or unrated) subject to the maximum aggregate principal amount which may be outstanding

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under the Programme at any one time or (B) enter into or incur indebtedness in respect of moneys borrowed or raised where such indebtedness is incurred on terms (1) that such indebtedness is secured on specified assets of the Issuer which do not form part of the Charged Assets subject to the fixed security granted under the Trust Deed in respect of any Series of Notes, (2) that recourse in respect of such indebtedness is limited to such secured assets, (3) that the enforcement provisions relating to such indebtedness are substantially similar to those contained in these Conditions and (4) which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets on which such indebtedness is secured (**Permitted Indebtedness**) PROVIDED THAT, in relation to (A) and (B) above, the Issuer will comply with the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**), the guidelines and instructions of the Luxembourg *Commission de Surveillance du Secteur Financier* and mandatory Luxembourg law provisions;

- (bb) acquire and own Charged Assets or any assets used to secure any Permitted Indebtedness, and exercise its rights and perform its obligations in respect thereof;
- (cc) enter into and perform its obligations under the Trust Deed, the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any Charged Agreements, any Credit Support Documents, agreements incidental to the issue and constitution of, and the granting of security for, Notes and any agreements relating to the creation of or incidental to the creation of and the granting of security for, any Permitted Indebtedness;
- (dd) enforce or take any action to exercise any of its rights whether under the Agency Agreement, the Custodial Services Agreement, any Collateral Services Agreement, any Charged Agreements, any Credit Support Documents or the Trust Deed or otherwise under any agreement entered into in relation to the Notes, any Permitted Indebtedness or the Mortgaged Property relating to any Series;
- (ee) if appropriate for the Issuer borrow money subject to the restrictions set out in the Trust Deed; or
- (ff) perform any act incidental to or necessary in connection with any of the above, including without limitation, entering into one or more interest rate and/or currency and/or other exchange agreements and/or repurchase, reverse repurchase or securities lending agreements and/or other derivative, lending or hedging agreements in connection with the issue of Notes or incurrence of any Permitted Indebtedness;
- (ii) subject to sub-paragraph (i) above and sub-paragraph (iii) below, dispose of any of its property or other assets or any part thereof or interest therein (otherwise than in accordance with Condition 10 (*Purchase*));
- (iii) save as expressly permitted by the relevant Supplemental Trust Deed, create or permit within its control to subsist any charge, mortgage, lien or other encumbrance over the Mortgaged Property other than those encumbrances created pursuant to, or as referred to in, the Master Trust Deed, the relevant Supplemental Trust Deed or the Charging Document;
- (iv) have any employees;
- (v) unless otherwise specified in the applicable Pricing Supplement, declare any dividends or make any distributions to shareholders of any other kind;

- (vi) issue any further shares; or
- (vii) perform such other activities as are expressly restricted in the Master Trust Deed.

5. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Interest Rate(s). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Date falling on or about such date will amount to the **Interest Amount**. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the **Broken Amount** so specified.

Except where an applicable Interest Amount or Broken Amount is specified in the applicable Pricing Supplement in respect of an Interest Period, interest shall be calculated in respect of any period by applying the relevant Interest Rate to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the outstanding aggregate principal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Specified Denomination,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(b) *Interest on Floating Rate Notes*

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

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

Such interest will be payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Date falling on or about such Interest Payment Date.

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(A) *Screen Rate Determination*

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

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Page as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent Bank or the Calculation Agent, as the case may be. If five or more of such offered quotations are available on the Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank or the Calculation Agent, as the case may be for the purpose of determining the arithmetic mean (rounded as provided below) of such offered quotations.

If the Page is not available or if, in the case of Condition 5(b)(B)(A)(1) (*Screen Rate Determination*) above, no offered quotation appears or, in the case of Condition 5(b)(B)(A)(2) (*Screen Rate Determination*) above, fewer than three offered quotations appear, in each case, as at the Specified Time, the Agent Bank or the Calculation Agent, as the case may be, shall request each of the Reference Banks to provide the Agent Bank or the Calculation Agent, as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank or the Calculation Agent, as the case may be, with offered quotations, the Interest Rate for the Interest Period shall be the arithmetic mean of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank or the Calculation Agent, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank or the Calculation Agent, as the case may be, with an offered quotation as provided in the preceding paragraph, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Agent Bank or the Calculation Agent, as the case may be, determines as being the arithmetic mean of the rates, as communicated to (and at the request of) the Agent Bank or the Calculation Agent, as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Interbank Market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank or the Calculation Agent, as the case may be, with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates (rounded as provided below) for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which

bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank or the Calculation Agent, as the case may be, it is quoting to leading banks in the Relevant Interbank Market plus or minus (as appropriate) the Margin (if any), PROVIDED THAT, if the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

The Agent Bank or the Calculation Agent, as the case may be, shall not be responsible to the Issuer or to any third party as a result of the Agent Bank or the Calculation Agent, as the case may be, having acted on any quotation given by any Reference Bank.

(B) *ISDA Determination*

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

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

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

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(ii) *Minimum and/or Maximum Interest Rates and Rounding*

Subject as provided below, if any Minimum Interest Rate and/or Maximum Interest Rate is specified in the applicable Pricing Supplement, then any Interest Rate shall be subject to such maximum and/or minimum, as the case may be.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Interest Rate shall be deemed to be zero.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency which is available as legal tender in the country of such currency.

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

The Agent Bank or, as the case may be, the Calculation Agent will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Paying Agent, and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount so notified 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. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16 (*Notices*). For the purposes of this sub-paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(iv) *Business Day Convention*

If any date referred to in the Conditions is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention and (x) such day would otherwise fall on a day which is not a Business Day or (y) there is no numerically corresponding day in the calendar month in which such date should occur, then, if the Business Day Convention specified in the applicable Pricing Supplement is:

- the "Floating Rate Convention", (1) in the case of (x) above such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) 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 or (2) in the case of (y) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) above shall apply *mutatis mutandis*;
- the "Following Business Day Convention", such date shall be postponed to the next day which is a Business Day;

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

(v) *Calculations in respect of Floating Rate Notes*

The Agent Bank or the Calculation Agent, as the case may be, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the relevant Interest Rate to:

- (1) in the case of Floating Rate Notes which are represented by a Global Note, the outstanding aggregate principal amount of the Notes represented by such Global Note; or
- (2) in the case of Floating Rate Notes in definitive form, the Specified Denomination;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vi) *Determination of calculation by Trustee*

If the Agent Bank or, as the case may be, the Calculation Agent at any material time defaults in its obligation to determine the Interest Rate or the Interest Amount in accordance with sub-paragraph (B)(A) or (B) above, the Trustee or an appointee thereof (at the expense of the Issuer) shall (A) determine the Interest Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in sub-paragraph (A) or (B) above, it shall deem fair and reasonable in all the circumstances and (B) calculate the Interest Amounts in the manner specified in sub-paragraph (v); and such determination and calculation shall be deemed to be a determination and calculation by the Agent Bank or, as the case may be, the Calculation Agent.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) (*Interest on Floating Rate Notes*), whether by the Agent Bank, the Calculation Agent or, if applicable, the Trustee shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Principal Paying Agent, the Agent Bank, the Calculation Agent (if applicable), the Counterparty (if any), the other Agents and all Noteholders and (in the absence of wilful default and bad faith) no liability to the Issuer shall attach to the Agent Bank, the Calculation Agent or the Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

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(d) *Interest on other Notes*

Interest bearing Notes where the determination of the rate of interest and amount of interest payable is not determined pursuant to the above provisions (including, but not limited to, Underlying Linked Notes), if so specified in the applicable Pricing Supplement, will receive interest or will have any amount(s) of interest determined in the manner set out in the applicable Pricing Supplement and the Issuer will pay the relevant Interest Amount on the relevant Interest Payment Date, as further described in the applicable Pricing Supplement.

(e) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal and/or all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Master Trust Deed.

(f) *Payments only to the extent of funds available therefor*

To the extent that an obligor (including the Credit Support Provider (if any)) fails to make payments to the Issuer under the relevant Charged Assets (other than ISDA Counterparty Collateral) on the due date therefor and to the extent that the Issuer Credit Enhancer (if any) fails to pay, subject to Conditions 8(b) (*Redemption in relation to the Charged Assets*), 8(d) (*Redemption upon termination of the Charged Agreements*) and 12 (*Events of Default*), the Notes will become repayable in accordance with these Conditions and the security therefor will become enforceable in accordance with and subject to the provisions of Condition 13 (*Enforcement*).

(A) All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).

(B) To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.

(C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:

- (i) the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
- (ii) the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
- (iii) without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- (iv) the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

(g) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Business Day means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre specified in the applicable Pricing Supplement and, if "Business Centre" is specified to be or include "TARGET", the Business Day shall also be a day on which the TARGET2 System is open; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the **TARGET2 System**) is open.

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Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time, whether or not constituting an Interest Period (the **Calculation Period**):

- (i) if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement in respect of Fixed Rate Notes:
 - (a) in the case of Notes where the number of days in the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:
 - (1) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Pricing Supplement, 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);
- (iii) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iv) if **Actual/365 (Sterling)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of a payment falling in a leap year, 366;
- (v) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (vi) if **30/360** is specified in the applicable Pricing Supplement in respect of Fixed Rate Notes, the number of days in the Calculation Period (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (vii) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Pricing Supplement in relation to Floating Rate Notes, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; or

- (ix) if **30E/360 (ISDA)** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

D_1 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 D_1 will be 30; and

D_2 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 D_2 will be 30.

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

Euro-zone means the member states of the European Union that are participating in the third stage of Economic and Monetary Union.

Interest Commencement Date means the Issue Date or such other date as may be specified in the applicable Pricing Supplement.

Interest Determination Date means, with respect to an Interest Rate and an Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling, (ii) the day falling two London Banking Days prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor Euro, or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is Euro.

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

Interest Period End Date means each date specified as such in the applicable Pricing Supplement or, if none is so specified, each Interest Payment Date.

Interest Rate means the rate of interest payable from time to time in respect of the Notes and which is either specified, or calculated in accordance with the provisions, herein or in the applicable Pricing Supplement.

London Banking Day means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

Page means such display page as may be specified in the applicable Pricing Supplement for the purpose of providing a Reference Rate, or (i) any successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original display page or (ii) if the sponsor has not officially designated a successor display page, other published source, information vendor or provider (as the case may be), the successor display page, other published source, information vendor or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Agent Bank or the Calculation Agent, as the case may be, or as specified in the applicable Pricing Supplement.

Reference Rate means the relevant rate pursuant to which an Interest Rate for a Floating Rate Note is to be determined as specified in the applicable Pricing Supplement.

Relevant Interbank Market means, in the case of a determination of LIBOR, the London interbank market and, in the case of a determination of EURIBOR, the Euro-zone interbank market or as otherwise specified in the applicable Pricing Supplement.

Specified Time means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

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

TARGET Business Day means a day on which the TARGET2 System is operating.

6. PAYMENTS

(a) *Method of payment*

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) *Payments*

Payment of principal (other than instalments of principal prior to the final instalment) in respect of each Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note at the specified office of any of the Paying Agents. Such

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payment will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the Register at the close of business on the third business day (being for the purposes of this paragraph (b) a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** shall mean the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** shall mean (in the case of a payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

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

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

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

(c) *General provisions applicable to payments*

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the beneficial holder of a particular principal amount of Notes represented by any Global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment made by the Issuer or, as the case may be, the Issuer Credit Enhancer (if any) to, or to the order of, the holder of such Global Note. Such persons shall have no claim directly against the Issuer

or any Issuer Credit Enhancer (if any) in respect of payments due on the Notes for so long as such Global Note is outstanding and the Issuer or Issuer Credit Enhancer (if any) will be discharged by payment to the holder of such Global Note in respect of each amount so paid.

Every payment of principal or interest in respect of the Notes or any Class of Notes to or to the account of the relevant Paying Agent in the manner provided in the Agency Agreement relating to such Notes or Class of Notes shall operate in satisfaction *pro tanto* of the relative obligation of the Issuer in respect of such Notes or Class of Notes to pay such principal or interest except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions of such Notes or Class of Notes to the Noteholders (as the case may be) of such Notes or Class of Notes. Any receipt by the Custodian of any proceeds in respect of the Charged Assets or any other assets forming part of the Mortgaged Property which are required to be applied to pay principal or interest in respect of the Notes or any Class of Notes shall operate in satisfaction *pro tanto* of the relative obligation of the Issuer in respect of such Notes or Class of Notes to pay such principal or interest except to the extent that there is any default in the subsequent payment thereof by the Custodian to the relevant Paying Agent and/or the Redemption Agent.

Where Physical Settlement is specified in the applicable Pricing Supplement, the provisions of this Condition 6 (*Payments*) shall be subject to the provisions of Condition 9 (*Physical Settlement*).

(d) *Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such postponed payment. For these purposes, **Payment Day** means any day which (subject to Condition 11 (*Prescription*)) is:

- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:
 - (A) the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) such other jurisdictions as shall be specified as "Additional Financial Centres" in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars or Australian dollars shall be Auckland and Sydney, respectively); or (2) in relation to any sum payable in euro, is a day which is a TARGET Business Day.

(e) *Interpretation of principal*

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

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) of the Notes;

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- (iv) the Mandatory Early Redemption Amount (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts or, as the case may be, the outstanding aggregate principal amount;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8(h) (*Early Redemption Amounts*)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

(f) *Taxation*

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any transfer or payment in respect of the Notes.

If (a) the Issuer would be required by law to withhold or account for tax in relation to payments on the Notes or (b) the Issuer Credit Enhancer (if any) would be unable for reasons outside its control to procure payment by the Issuer, and in making payment itself would be required by law to withhold or account for tax, then the Issuer or the Issuer Credit Enhancer, as the case may be, will deduct an amount representing such taxes from payments in respect of the Notes and the provisions of Condition 8(c) (*Redemption for taxation reasons at the option of the Noteholders*) shall apply.

The Issuer or the Issuer Credit Enhancer, as the case may be, will not pay any additional amounts to Noteholders to reimburse them for any such deductions.

7. GENERAL PROVISIONS APPLICABLE TO UNDERLYING LINKED NOTES

(a) *Valuing the Underlying*

In respect of Underlying Linked Notes, the provisions applicable to valuing each Underlying and to making any adjustment to Valuation Dates or following Adjustment Events are specified in this Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) and in the Underlying Schedule applicable to such Underlying, as amended and supplemented (where relevant) by the applicable Pricing Supplement.

(b) *Underlying Closing Level or Underlying Level on a Valuation Date*

The Underlying Closing Level or the Underlying Level (as applicable) of an Underlying on a Valuation Date shall be determined as specified in the Underlying Schedule applicable to such Underlying.

(c) *Adjustments to Valuation Dates (Scheduled Trading Days)*

Subject as provided in the Underlying Schedules applicable to the relevant Underlying(s) and unless otherwise specified in the applicable Pricing Supplement, any Specified Valuation Date(s) specified in the applicable Pricing Supplement shall be adjusted in accordance with the following provisions:

- (i) The following sub-paragraph shall apply to Notes linked to one Underlying.

If a Specified Valuation Date is not a Scheduled Trading Day for the Underlying, then such Valuation Date shall be the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day for the Underlying, unless in the opinion

of the Calculation Agent such day is a Disrupted Day for the Underlying, in which case Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) below or Condition 7(f) (*Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*) below (as applicable) or, as the case may be, the provisions relating to adjustments to Valuation Dates for Disrupted Days set out in the Underlying Schedules applicable to the relevant Underlying(s), shall apply.

- (ii) The following sub-paragraph shall apply to Notes linked to more than one Underlying if "Move In Block" is specified in the applicable Pricing Supplement.

If a Specified Valuation Date is not a Scheduled Trading Day for any Underlying, then such Valuation Date shall be the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day for all of the Underlyings, unless in the opinion of the Calculation Agent such day is a Disrupted Day for any of the Underlyings, in which case Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) or Condition 7(f) (*Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*) below (as applicable) or, as the case may be, the provisions relating to adjustments to Valuation Dates for Disrupted Days set out in the Underlying Schedules applicable to the relevant Underlying(s), shall apply.

- (iii) The following sub-paragraph shall apply to Notes linked to more than one Underlying if "Value What You Can" is specified in the applicable Pricing Supplement.

If a Specified Valuation Date is not a Scheduled Trading Day for any Underlying, then:

(A) the Valuation Date for each Underlying for which such Specified Valuation Date is a Scheduled Trading Day shall be such Specified Valuation Date, unless in the opinion of the Calculation Agent such day is a Disrupted Day for such Underlying, in which case Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) below or Condition 7(f) (*Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*) below (as applicable) or, as the case may be, the provisions relating to adjustments to Valuation Dates for Disrupted Days set out in the Underlying Schedules applicable to the relevant Underlying(s), shall apply; and

(B) the Valuation Date for each Underlying for which such Specified Valuation Date is not a Scheduled Trading Day shall be the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day for such affected Underlying, unless in the opinion of the Calculation Agent such day is a Disrupted Day for such Underlying, in which case Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) below or Condition 7(f) (*Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*) below (as applicable) or, as the case may be, the provisions relating to adjustments to Valuation Dates for Disrupted Days set out in the Underlying Schedules applicable to the relevant Underlying(s), shall apply.

- (d) *Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*

Subject as provided in the Underlying Schedules applicable to the relevant Underlying(s) and unless otherwise specified in the applicable Pricing Supplement, any Specified Valuation Date(s) (if applicable, as adjusted in accordance with the provisions of Condition 7(c) (*Adjustments to Valuation Dates (Scheduled Trading Days)*) above and/or, as the case may be, the provisions of the Underlying Schedules applicable to the relevant Underlying(s)) shall be adjusted in accordance with the following provisions:

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- (i) The following sub-paragraph shall apply to Notes linked to one Underlying subject as provided in sub-paragraph (iv) below.

If such Specified Valuation Date for such Underlying is a Disrupted Day for such Underlying, then such Valuation Date shall be the earlier of: (A) the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day and which is not a Disrupted Day for the Underlying; and (B) the Scheduled Trading Day which is the Valuation Roll number of Scheduled Trading Days immediately following such Specified Valuation Date.

- (ii) The following sub-paragraph shall apply to Notes linked to more than one Underlying if "Move In Block" is specified in the applicable Pricing Supplement subject as provided in sub-paragraph (iv) below.

If such Specified Valuation Date is a Disrupted Day for any Underlying, then such Valuation Date shall be the earlier of (A) the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day for all the Underlyings and which is not a Disrupted Day for all of the Underlyings; and (B) the Scheduled Trading Day for all the Underlyings which is the Valuation Roll number of Scheduled Trading Days for all the Underlyings immediately following such Specified Valuation Date.

- (iii) The following sub-paragraph shall apply to Notes linked to more than one Underlying if "Value What You Can" is specified in the applicable Pricing Supplement, subject as provided in sub-paragraph (iv) below.

If such Specified Valuation Date is a Disrupted Day for any Underlying, then:

- (A) if such Specified Valuation Date is not a Disrupted Day for an Underlying, then the Valuation Date for such Underlying shall be such Specified Valuation Date; and
- (B) if such Specified Valuation Date is a Disrupted Day for an Underlying, then the Valuation Date for such Underlying shall be the earlier of: (1) the first succeeding day immediately following such Specified Valuation Date which is a Scheduled Trading Day for such Underlying and which is not a Disrupted Day for such Underlying; and (2) the Scheduled Trading Day which is the Valuation Roll number of Scheduled Trading Days for such Underlying immediately following such Specified Valuation Date.

- (iv) If the Valuation Date for any Underlying determined as provided above would otherwise fall on a day falling after the second Scheduled Trading Day for such Underlying prior to the date on which a relevant payment or delivery, as applicable, is scheduled to be made under the Notes (the **Cut-off Valuation Date**), such Valuation Date shall be deemed to be the Cut-off Valuation Date (notwithstanding that such date is a Disrupted Day for such Underlying) and the provisions of Condition 7(e)(ii) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) below shall apply in respect thereof.

- (e) *Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*

- (i) If the Valuation Date for any Underlying (as determined in accordance with Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) above) is a Disrupted Day for such Underlying, then (unless otherwise specified in the Underlying Schedule applicable to such Underlying) the Calculation Agent shall determine the Underlying Closing Level of such Underlying on such Valuation Date using its good faith

estimate of the Underlying Closing Level of such Underlying at the Valuation Time (where relevant) on or for such day.

- (ii) If the Valuation Date for any Underlying (as determined in accordance with Condition 7(d)(iv)(*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) above) is determined to occur on the Cut-off Valuation Date for such Underlying, then (unless otherwise specified in the Underlying Schedule applicable to such Underlying) the Calculation Agent shall determine the Underlying Closing Level of such Underlying on such Cut-off Valuation Date using its good faith estimate of the Underlying Closing Level of such Underlying at the Valuation Time (where relevant) on or for such day.

(f) *Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*

If the Calculation Agent determines that the Underlying Level of an Underlying cannot be determined at any time on any Valuation Date by reason of the occurrence of an event giving rise to a Disrupted Day, then (unless otherwise specified in the applicable Pricing Supplement) the Underlying Level at such time on such day shall be disregarded for the purposes of determining any amounts payable and/or deliverable in respect of the Notes.

(g) *Adjustment Events*

If in the determination of the Calculation Agent any Adjustment Event occurs in respect of an Underlying or the Notes (as relevant) then (subject to the provisions of the Underlying Schedule applicable to such Underlying) the Calculation Agent shall: (i) make such adjustment to the terms of the Notes as the Calculation Agent determines necessary or appropriate to account for the effect of such Adjustment Event subject to the provisions (if any) of such Underlying Schedule; and (ii) determine the effective date of each such adjustment.

If "Increased Cost of Hedging" is specified in the applicable Pricing Supplement as an Additional Adjustment Event in respect of an Underlying and such an event occurs, the Calculation Agent may make such adjustment(s) to the terms of the Notes as it determines necessary or appropriate to pass onto Noteholders the relevant increased cost of hedging, which adjustment may include, but is not limited to, reducing any of the amounts which would otherwise be payable under the Notes or reducing the number of any Relevant Assets which would otherwise be deliverable under the Notes.

If so specified in the relevant Underlying Schedule, any adjustment(s) made by the Calculation Agent in response to an Adjustment Event may include a substitution of the relevant Underlying or other asset as specified in the Underlying Schedule applicable to the relevant Underlying and the Calculation Agent may make such other adjustments to the terms of the Notes as it deems necessary in relation to such substitution.

(h) *Early Redemption Events*

If, in the determination of the Calculation Agent, any Early Redemption Event occurs in respect of an Underlying or the Notes, as relevant, then (subject to the provisions of the Underlying Schedule applicable to such Underlying) all (but not some only) of the Notes will or, in the case of a Hedging Disruption Early Termination Event, may be redeemed on a day selected by the Issuer, each Specified Denomination being redeemed by payment of an amount equal to the Early Redemption Amount.

(i) *Mandatory Early Redemption Events*

If "Mandatory Early Redemption Event" is specified as applicable in the applicable Pricing Supplement and a Mandatory Early Redemption Event (as specified in the applicable Pricing

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Supplement) occurs, then all (but not some only) of the Notes will be redeemed, each Specified Denomination being redeemed by payment of an amount equal to the relevant Mandatory Early Redemption Amount specified in the applicable Pricing Supplement on the relevant Mandatory Early Redemption Date.

Any Mandatory Early Redemption Amount(s) and Mandatory Early Redemption Date(s) shall be as specified in the applicable Pricing Supplement.

(j) *Realisation Disruption*

If "Realisation Disruption" is specified as applicable in the applicable Pricing Supplement and a Realisation Disruption Event occurs, then the Issuer may either (i) direct the Calculation Agent to make such consequential adjustments to any of the terms of the Notes (including any payment or delivery obligations) as it determines appropriate in order to reflect the economic effect of the particular Realisation Disruption Event or (ii) redeem all (but not some only) of the Notes on a day selected by the Issuer, each Specified Denomination being redeemed by payment of an amount equal to the Early Redemption Amount.

Any such adjustments by the Calculation Agent may include (but are not limited to) (I) payments under the Notes in the currency (the **Local Currency**) in which the Hedging Positions are denominated or payable rather than the Specified Currency, (II) deduction of an amount equal to the applicable tax, charge or deduction from the relevant payment otherwise due under the relevant Notes or delivery of any Entitlement being subject to payment by the relevant Noteholder of an amount equal to a pro rata portion of any such tax, charge or deduction, (III) non-payment of the relevant payment or non-delivery of the relevant Entitlement otherwise due under the relevant Notes until the relevant restrictions (including but not limited to all exchange and/or conversion and/or cross-border transfer restrictions) are lifted and/or (IV) determination of any relevant exchange rate by the Calculation Agent taking into consideration all available information that it deems relevant and/or (V) (where legally permissible) in lieu of paying any cash amounts in respect of the Notes, procuring physical delivery of any Underlying(s), delivered in such manner as shall be notified to the Noteholders by the Issuer (or vice versa) PROVIDED THAT such Underlying(s) may be subject to transfer restrictions and additional certifications may be required from the Noteholders. Any such adjustments will be effective as of the date determined by the Calculation Agent.

(k) *Correction of published or announced prices or levels*

In the event that any level, price, rate or value (as applicable) of an Underlying for any time on any day which is published or announced by or on behalf of the person or entity responsible for such publication or announcement and which is used for any calculation or determination made in respect of the Notes is subsequently corrected, and the correction (the **Corrected Level**) is published by or on behalf of such person or entity within the relevant Correction Period after the original publication (and at least two Business Days prior to the relevant date on which a payment or delivery is scheduled to be made under the Notes (the **Relevant Scheduled Payment Date**)), then such Corrected Level shall be deemed to be the level, price, rate or value for the relevant Underlying for the relevant time on the relevant day and the Calculation Agent shall use such Corrected Level in determining any amounts payable and/or deliverable in respect of the Notes.

Corrections published after the day which is two Business Days prior to the Relevant Scheduled Payment Date shall be disregarded by the Calculation Agent for the purposes of determining any such amounts payable and/or deliverable under the Notes.

(l) *Notifications*

The Calculation Agent shall notify the Issuer and each Paying Agent of any determination made by it in accordance with this Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) and the action that it proposes to take in respect of any such determination. The Issuer shall notify the Noteholders thereof, as soon as reasonably practicable thereafter in accordance with Condition 16 (*Notices*) Failure by the Calculation Agent to notify the Issuer or any Paying Agent or failure by the Issuer to notify the Noteholders of any such determination will not affect the validity of any such determination.

(m) *Definitions*

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

Additional Adjustment Event means, in respect of an Underlying, each event (if any) specified as such in the Underlying Schedule applicable to such Underlying.

Additional Early Redemption Event means, in respect of an Underlying, each event (if any) specified as such in the Underlying Schedule applicable to such Underlying or the occurrence at any time of a Section 871(m) Event or, if Hedging Disruption Early Termination Event is specified as applicable in the applicable Pricing Supplement, a Hedging Disruption Early Termination Event.

Adjustment Event means, in respect of an Underlying, the occurrence at any time of a Change in Law, a Hedging Disruption, an Increased Cost of Hedging or the occurrence at any time of any Additional Adjustment Event applicable to such Underlying.

Change in Law means that (a) due to the adoption of or any change in any applicable law, rule, order, directive or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, (including any action taken by a taxing authority), the Calculation Agent determines that (i) holding, acquiring or disposing of any Hedging Position becomes or will become unlawful, illegal or otherwise prohibited in whole or in part, or (ii) the Issuer and/or any Counterparty will incur a materially increased cost in performing its obligations in relation to the Notes or the applicable Charged Agreements, as the case may be, (including without limitation due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of any relevant Hedging Party).

Correction Period shall, in respect of an Underlying, have the meaning given to it in the Underlying Schedule applicable to such Underlying.

Early Redemption Event means, in respect of an Underlying, (i) following the occurrence of a Redemption Adjustment Event in respect of such Underlying, the Calculation Agent determines that no adjustment or substitution can reasonably be made under Condition 7(g) (*Adjustment Events*) above to account for the effect of such Redemption Adjustment Event, or (ii) the occurrence at any time of any Additional Early Redemption Event applicable to such Underlying.

Electronic Page means, in respect of an Underlying and (if applicable) any component of such Underlying (however described in the relevant Underlying Schedule), the electronic page or source specified for such Underlying or such component, as the case may be, in the applicable Pricing Supplement, or either (i) any successor electronic page or source or information vendor or provider that has been designated by the sponsor of the original electronic page or source; or (ii) if such sponsor has not officially designated a successor electronic page or source or information vendor or

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provider, the successor electronic page or source or information vendor or provider designated by the relevant information vendor or provider (if different from such sponsor) or any alternative electronic page or source designated by the Calculation Agent PROVIDED THAT if, in the case of (i) and (ii), the Calculation Agent determines that it is not necessary or appropriate for the Electronic Page to be any such successor electronic page or source or information vendor or provider, then the Electronic Page may be either the originally designated electronic page or source or such other electronic page or source as selected by the Calculation Agent. Where more than one Electronic Page is specified in respect of an Underlying and/or (if applicable) any component of such Underlying (however described in the relevant Underlying Schedule), then the provisions of the preceding sentence shall be construed accordingly and (i) if there is any discrepancy between any relevant price or level displayed on the relevant Electronic Pages for any Valuation Date, the relevant price or level selected by the Calculation Agent shall be used for such Valuation Date; and (ii) if any relevant price or level is not published on all of such Electronic Pages but is published on one or more of such Electronic Pages, the Calculation Agent shall use such published price or level for the purpose of determining any calculation or determination in respect of the Notes and no Disrupted Day shall be deemed to have occurred in respect of the failure to publish on the other Electronic Page(s).

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that the Calculation Agent deems necessary to hedge the price risk of the Issuer issuing and performing its obligations under the Notes and/or any Counterparty hedging its obligations under the relevant Charged Agreement; or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Hedging Disruption Early Termination Event means any action, or any announcement of the intention to take any such action, including adoption of any law, regulation or order or the amendment, elimination, reinterpretation or promulgation of an interpretation, by any regulatory, self-regulatory, legislative or judicial authority with competent jurisdiction (including, without limitation, as implemented by the CFTC or any exchange or trading facility acting pursuant to CFTC authority) that (i) affects the definition of "bona fide hedging" as that term is used in CFTC regulations adopted under Section 4a(a) of the CEA (as at the Trade Date 17 CFR 150.3) or that withdraws or limits as a matter of practice or policy any "hedge exemptions" previously granted by the CFTC or any such exchange or trading facility acting under authority granted pursuant to the Commodity Exchange Act, or affects or otherwise amends such other applicable laws of any jurisdiction which has an analogous effect to any of the events specified in this sub-paragraph (i) or (ii) increases the cost of the performance of the Issuer's obligations in respect of the Notes or the cost of acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any transaction(s) or asset(s) that the Calculation Agent deems necessary to hedge the price risk of the Issuer issuing and performing its obligations under the Notes and/or any Counterparty hedging its obligations under the relevant Charged Agreement, whether individually or on a portfolio basis, in each case, occurring after the Trade Date and as determined by the Calculation Agent..

Hedging Party means any party which enters into any arrangement which hedges or is intended to hedge, individually or on a portfolio (or "book") basis, the Notes, which party may be the Issuer, the Counterparty and/or any of their Affiliates and/or any other party or parties as determined by the Calculation Agent.

Hedging Position means any one or more of (i) positions or contracts (as applicable) in securities, futures contracts, options contracts, other derivative contracts or foreign exchange; (ii) stock loan transactions; or (iii) other instruments or arrangements (however described) entered into by a Hedging Party in order to hedge, individually or on a portfolio (or "book") basis, the Notes or the Counterparty's obligations under the applicable Swap Agreement.

Increased Cost of Hedging means that any Hedging Party 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) that the Calculation Agent deems necessary to hedge the price risk of the Issuer issuing and performing its obligations under the Notes and/or any Counterparty hedging its obligations under the relevant Charged Agreement; or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). Any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of any Hedging Party shall not be deemed an Increased Cost of Hedging.

Rating Agency means each rating agency specified in the applicable Pricing Supplement.

Rating Adjustment Event means a Change in Law and each of (a) in the case of an Underlying which is a Security Index, the Additional Adjustment Event set out in Condition 4(i) (Restrictions) of the Security Index Conditions; (b) in the case of an Underlying which is a Depositary Receipt, an Underlying Share Event; and (c) in the case of an Underlying which is a Commodity Index, the Additional Adjustment Events set out in Condition 4(a) (*Additional Adjustment Events*) and 4(c) (Additional Adjustment Events) of the Commodity Index Conditions.

Realisation Disruption Event means the Calculation Agent determines that:

- (a) either any restrictions or any taxes, charges or other deductions have been imposed by any applicable governmental, taxation, judicial or regulatory body on any dealing by any Hedging Party in any Hedging Positions held by any Hedging Party such that:
 - (i) any Hedging Party is or would be materially restricted from continuing to purchase, sell or otherwise deal in any Hedging Positions (or to enter into, continue or otherwise complete such transactions) and/or is or would be materially restricted from exercising its rights, or performing its obligations in respect of any Hedging Positions; or
 - (ii) the Issuer and/or a Counterparty is materially restricted from performing its obligations under the Notes or the applicable Swap Agreement, as the case may be, and/or any Hedging Party is materially restricted from performing its obligations under any Hedging Positions; or
 - (iii) the Issuer and/or a Counterparty will (or is likely to) incur a materially increased cost in performing its obligations under the Notes or the applicable Swap Agreement, as the case may be, and/or any Hedging Party will (or is likely to) incur a materially increased cost in performing its obligations under any Hedging Positions; or
- (b) an event has occurred or circumstances exist (including without limitation either any restrictions or any charges or deductions imposed by any applicable governmental, judicial or regulatory body):
 - (i) that materially restricts the ability of any Hedging Party to (A) exchange or convert the Local Currency for any Specified Currency or the Specified Currency for the Local Currency through the customary legal channels and/or (B) deliver the Specified Currency or the Local Currency and/or (C) transfer the proceeds of the Hedging Positions (or any transaction relating to a Hedging Position) (x) between accounts in the jurisdiction of the Local Currency (the **Local Jurisdiction**) and any accounts in the jurisdiction of any Specified Currency or (y) to or from a party that

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is a non-resident of the Local Jurisdiction and/or to a party that is a resident of the jurisdiction of the Specified Currency; and/or

- (ii) such that any Hedging Party is or would be materially restricted from transferring amounts payable under any Hedging Position or in respect of the Notes between (A) the Local Jurisdiction and the jurisdiction of a Hedging Party and/or (B) the jurisdiction of any Specified Currency and the jurisdiction of a Hedging Party; and/or
- (iii) such that the Calculation Agent's ability to determine a rate at which the Local Currency can be exchanged for any Specified Currency (or vice versa), for any reason becomes restricted, or such determination is otherwise impracticable or such rate is subject to material charges or deductions.

The above provisions refer to "materially restricted", "materially increased" and "material" and any determination in respect of "materially" or "material" in respect of any such provision shall be made by the Calculation Agent which shall have regard to such circumstances as it deems appropriate.

Redemption Adjustment Event means (i) where the Notes are not rated by a Rating Agency, each Adjustment Event, and (ii) where the Notes are rated by a Rating Agency, each Rating Adjustment Event.

Section 871(m) Event means that the Issuer and/or any Counterparty and/or any Hedging Party is (or, in the determination of the Calculation Agent, there is a reasonable likelihood that, within the next 30 Business Days, the Issuer and/or any Counterparty and/or any Hedging Party will become) subject to any withholding or reporting obligations pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, with respect to the Notes and/or any applicable Swap Agreement and/or any Hedging Positions.

Specified Valuation Date means each date specified as such in the applicable Pricing Supplement.

Underlying means each underlying reference factor specified as such and classified in the applicable Pricing Supplement.

Trade Date means the date specified as such in the applicable Pricing Supplement, or if none is specified, the Issue Date.

Underlying Closing Level shall, in respect of an Underlying, have the meaning given to it in the Underlying Schedule applicable to such Underlying.

Underlying Level shall, in respect of an Underlying and if applicable, have the meaning given to it in the Underlying Schedule applicable to such Underlying.

Underlying Linked Notes means Notes specified as such in the applicable Pricing Supplement.

Underlying Schedule means, in respect of an Underlying, the schedule that is specified to be applicable to such Underlying as a result of the classification of such Underlying in the applicable Pricing Supplement.

Valuation Date means each Specified Valuation Date, as adjusted in accordance with Condition 7(c) (*Adjustments to Valuation Dates (Scheduled Trading Days)*), Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*), Condition 7(f) (*Adjustment to Valuation Dates (Disrupted Days and Underlying Levels)*), the relevant Underlying Schedule and/or the applicable Pricing Supplement.

Valuation Roll means the number specified as such in the applicable Pricing Supplement, or if no number is so specified, eight.

Valuation Time shall, in respect of an Underlying, have the meaning given to it in the Underlying Schedule applicable to such Underlying.

8. REDEMPTION

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as provided below or following the occurrence of a Mandatory Early Redemption Event in accordance with Condition 7(i) (*Mandatory Early Redemption Events*), each Note will be redeemed by the Issuer on the Maturity Date or, in the case of Instalment Notes, at the Instalment Amount due on each Instalment Date (each as specified in the applicable Pricing Supplement), as specified in the applicable Pricing Supplement either by (i) Cash Settlement at the amount (the **Final Redemption Amount**) specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency and/or (ii) Physical Settlement in accordance with Condition 9 (*Physical Settlement*).

(b) *Redemption in relation to the Charged Assets (other than ISDA Counterparty Collateral)*

(i) *Early repayment of Charged Assets (other than ISDA Counterparty Collateral) other than by reason of default in payment*

Subject to Condition 8(b)(iii) (*General provisions*) below and subject to the right of any person specified in the applicable Pricing Supplement to substitute Charged Assets in accordance with Condition 3(b) (*Charged Assets*) (PROVIDED THAT any such right shall be exercisable upon the giving by such person of a period of not less than five Business Days' notice expiring prior to the date upon which the Issuer is to receive the redemption proceeds of such Charged Assets), if the Charged Assets (or part thereof), other than any Charged Assets comprising ISDA Counterparty Collateral, become due and repayable on a date prior to their stated maturity date (or, if applicable, claims arise under the Credit Support Document (if any) and/or such claims become enforceable) (other than by reason of default in payment), then the Issuer shall, forthwith upon becoming aware of such event, on giving such period of notice as expires not more than ten nor less than five Business Days following the date upon which the Issuer is to receive the redemption proceeds of such Charged Assets (or, if applicable, the proceeds of any claim under the Credit Support Document(s) (if any)) (or such other period of notice as may be otherwise agreed with the Trustee or unless the Trustee shall (at the expense of the Issuer) certify to the Issuer that it considers in its absolute discretion that it is in the best interests of the Noteholders that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders shall otherwise direct, subject, in the case of Notes in a Series comprising more than one Class of Notes, to restrictions contained in the Trust Deed to protect the interests of the holders of related Notes of each Class) to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar, the Rating Agencies (if any) and to the Noteholders in accordance with Condition 16 (*Notices*), redeem the Notes (or part thereof) at the Early Redemption Amount on the expiry of such notice.

(ii) *Default in payment by obligor of Charged Assets (other than ISDA Counterparty Collateral)*

Subject to Condition 8(b)(iii) (*General provisions*) below and subject to the right of any person specified in the applicable Pricing Supplement to substitute Charged Assets in accordance with Condition 3(b) (*Charged Assets*) (PROVIDED THAT any such right shall be exercisable upon the giving by such person, of a period of not less than five Business

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Days' notice expiring prior to the giving of the notice to the Redemption Agent referred to below), if (i) there has been a payment default in respect of the Charged Assets (or part thereof), other than any Charged Assets comprising ISDA Counterparty Collateral, having taken into account any applicable grace period or (ii) any of the Charged Assets, other than any Charged Assets comprising ISDA Counterparty Collateral, (or amounts due pursuant thereto) become capable of being declared due and payable (without taking into account for this purpose any grace period under any terms in effect) prior to their stated date of maturity or other date or dates for their repayment by reason of any event of default (howsoever described) thereunder or (iii) claims arise under any applicable Credit Support Document and/or any such claims become enforceable, the Issuer shall forthwith give notice thereof to the Trustee and the Redemption Agent specified in the applicable Pricing Supplement. The Redemption Agent shall, subject to the provisions of the Trust Deed, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets (or, if applicable, enforcement of the Credit Support Document(s) (if any)) (or in the event that some only of the Charged Assets become due and repayable as provided above, the relevant proportion thereof). The Issuer shall at the same time (unless otherwise agreed by the Trustee) give notice (x) that the Notes (or part thereof) are to be redeemed at the Early Redemption Amount pursuant to this Condition 8(b)(ii) (*Default in payment by obligor of Charged Assets (other than ISDA Counterparty Collateral)*) as soon as reasonably practicable following receipt of the realisation proceeds of the Charged Assets (and/or, if applicable, of the proceeds of any claim under the Credit Support Documents (if any)) (or part thereof) and/or any termination payment payable to the Issuer upon termination of any Charged Agreement and (y) upon receipt of such amounts and unless otherwise agreed with the Trustee, of the date upon which the Notes (or part thereof) are to be redeemed (which date shall be not more than ten nor less than five Business Days following receipt of all such amounts), in both cases to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any).

(iii) *General provisions*

Subject as provided below, in the event that some only of the Charged Assets become repayable (or, if applicable, claims arise under the Credit Support Document(s) (if any) and/or any such claims become enforceable with respect to some only of the Charged Assets) as aforesaid (the **Repayable Assets**) pursuant to Conditions 8(b)(i) (*Early repayment of Charged Assets (other than ISDA Counterparty Collateral) other than by reason of default in payment*) or 8(b)(ii) (*Default in payment by obligor of Charged Assets (other than ISDA Counterparty Collateral)*) above, the Notes will be partially redeemed in an aggregate principal amount equal to the proportion of the then outstanding aggregate principal amount of the Notes that the principal amount of the Repayable Assets bears to the aggregate principal amount of all of the Charged Assets, subject as provided below. The Notes to be redeemed (**Redeemed Notes**) will be selected, as indicated in the applicable Pricing Supplement, either (i) individually by lot, in the case of Redeemed Notes represented by Definitive Notes, or in accordance with the rules of Euroclear and/or, Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**) or (ii) in accordance with the order of priorities relating to the repayment of principal of the Notes. In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note for Definitive Notes will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8(b) (*Redemption in relation to the*

Charged Assets) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) at least five days prior to the Selection Date. Any such partial redemption shall be deemed not prejudicial to the interests of any remaining Noteholders of any Class or Series.

Inability to make payment of the full amount due in respect of a partial redemption of the Notes under this Condition 8(b) (*Redemption in relation to the Charged Assets*) or any termination payment under any Charged Agreement shall not constitute an Event of Default under Condition 12 (*Events of Default*).

- (iv) *Charged Asset Modification Event (in respect of Charged Assets other than ISDA Counterparty Collateral)*

Upon the occurrence of a Charged Asset Modification Event at any time on or prior to the date on which the Issuer's obligations in respect of the Notes are discharged in full, the Issuer in its sole and absolute discretion may (but need not) elect either to:

- (A) direct the Calculation Agent to make such amendments to any of the provisions of the Notes as the Calculation Agent determines appropriate to account for the relevant Charged Asset Modification Event and determine the effective date of such amendment; or
- (B) redeem all of the Notes, each Specified Denomination being redeemed by payment of an amount equal to the Early Redemption Amount of such Note.

The Calculation Agent shall notify the Issuer of the existence of a Charged Asset Modification Event and of any amendments it proposes may be made in accordance with paragraph (A) above. The Issuer shall give notice, which notice shall be irrevocable, to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any) of any election by it in accordance with paragraph (A) or (B) above.

If the Notes are to be redeemed in accordance with paragraph (B) above, then the Redemption Agent shall, subject to the provisions of the Trust Deed, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets. As soon as reasonably practicable following receipt of the sale proceeds of the Charged Assets and/or any termination payment payable to the Issuer upon termination of any Charged Agreement, the Issuer shall (unless otherwise agreed with the Trustee) give not less than five nor more than ten Business Days' notice to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any) of the date upon which the Notes are to be redeemed.

Charged Asset Modification Event means the determination by the Calculation Agent that, when compared with circumstances existing at the Trade Date, there has been (a) a modification of any constitutive and/or governing documents and/or other agreements in respect of the Charged Assets (other than ISDA Counterparty Collateral) specifying the terms and conditions of such Charged Assets; and/or (b) the Charged Assets (other than ISDA Counterparty Collateral) are subject to a material change in their content or constitution, including but not limited to such Charged Assets being subdivided, consolidated, redenominated, reclassified, altered, converted into any other securities or obligations (of the original obligor thereunder or any successor or new obligor), or any analogous event. For the avoidance of doubt, a Charged Asset Modification Event will

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include, without limitation, any redenomination of the Charged Assets (other than ISDA Counterparty Collateral) into any other currency or change in the basis for determining any amounts due in respect of such Charged Assets.

(v) *Termination of any Charged Agreements*

In the event of any such redemption under this Condition 8(b) (*Redemption in relation to the Charged Assets*), the Charged Agreements (or a proportionate part thereof which corresponds to the Notes to be redeemed) will be terminated.

(c) *Redemption for taxation reasons at the option of the Noteholders*

If either:

- (i) the Issuer (A) would be required by law to withhold or account for tax in relation to payments on the Notes, (B) would suffer tax in respect of gains or its income in respect of the Charged Assets or payments made to it under a Charged Agreement or (C) would receive net of tax any payment in respect of the Charged Assets or a Charged Agreement, with the result that in each case it would be unable to make payment of the full amount due in respect of the Notes; or
- (ii) if an Issuer Credit Enhancer is specified in the applicable Pricing Supplement, the Issuer Credit Enhancer would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required by law to withhold or account for tax,

the Issuer or, as the case may be, the Issuer Credit Enhancer (if any) shall as soon as reasonably practicable so notify the Trustee and, if applicable, the Counterparty (if any) and each relevant Rating Agency and:

- (A) the Issuer or, as the case may be, the Issuer Credit Enhancer (if any) shall notify the Principal Paying Agent, the Registrar and the Noteholders in accordance with Condition 16 (*Notices*) by promptly giving notice that all further payments in respect of the Notes shall be made subject to, and after deduction of, all applicable taxes. Any such deduction shall not constitute an Event of Default under Condition 12 (*Events of Default*); and
- (B) if so specified in the applicable Pricing Supplement, upon notification to the Noteholders in accordance with sub-paragraph (A) above, each Noteholder may, by giving written notice in the manner described in Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*) to the Issuer, or (if applicable) the Issuer Credit Enhancer (if any), require the Issuer, failing whom the Issuer Credit Enhancer (if any), to redeem all, but not some only of the Notes held by such Noteholder at the Early Redemption Amount. Such notice shall be given not later than 20 days (the **Notification Date**) following the date upon which the Issuer gave the notice referred to in sub-paragraph (A) above.

In the event that the Issuer becomes obliged to redeem any Notes in accordance with sub-paragraph (B) above, the Issuer shall on the Business Day immediately following the Notification Date give notice thereof to the Trustee and the Redemption Agent (if any). Where the Mortgaged Property includes Charged Assets, the Redemption Agent shall, subject to the provisions of the Trust Deed, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets (or in the event that some only of the Notes are to be redeemed, the relevant proportion thereof). As soon as reasonably practicable following receipt of the sale proceeds thereof and/or any termination payment payable to the Issuer upon termination of any Charged Agreement, the Issuer shall (unless otherwise agreed by the Trustee) give not more than ten nor less than five Business Days' notice, which notice shall be irrevocable, to the Noteholders in accordance with Condition 16 (*Notices*) and to the

Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any) of the date on which such Notes are to be redeemed.

Inability to make payment of the full amount due in respect of a partial redemption of the Notes under this Condition 8(c) (*Redemption for taxation reasons at the option of the Noteholders*) shall not constitute an Event of Default under Condition 12 (*Events of Default*).

In the event of any such redemption under this Condition 8(c) (*Redemption for taxation reasons at the option of the Noteholders*), the Charged Agreements (or the relevant proportion thereof) will terminate.

(d) *Redemption upon termination of the Charged Agreements*

If any Charged Agreement is terminated (in whole but not in part) for any reason other than in connection with a redemption or purchase of the Notes pursuant to Condition 8 (*Redemption*) (other than this Condition 8(d) (*Redemption upon termination of the Charged Agreements*)), Condition 10 (*Purchase*) or Condition 12 (*Events of Default*), then the Issuer shall forthwith give notice thereof to the Trustee and the Redemption Agent (if any) of such termination. Where the Mortgaged Property includes Charged Assets, the Redemption Agent shall, subject to the provisions of the Trust Deed, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets. The Issuer shall at the same time give notice, which notice shall be irrevocable, to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee, the Principal Paying Agent, the Registrar, the Counterparty, and the Credit Support Provider (if applicable) that the Notes are to be redeemed pursuant to this Condition 8(d) (*Redemption upon termination of the Charged Agreements*). As soon as reasonably practicable following receipt of the sale proceeds of the Charged Assets and/or any termination payment payable to the Issuer upon termination of any Charged Agreement, the Issuer shall (unless otherwise agreed by the Trustee) give not less than five nor more than ten Business Days' notice, which notice shall be irrevocable, to the Noteholders in accordance with Condition 16 (*Notices*), and to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any), of the date on which the Notes are to be redeemed. Upon the expiry of such notice the Issuer shall redeem all but not some only of the Notes by Cash Settlement at the Early Redemption Amount, unless the Trustee shall certify to the Issuer that it considers in its absolute discretion that it is in the best interests of the Noteholders that such notice and redemption be delayed or not given or made, as the case may be, or an Extraordinary Resolution of the Noteholders shall otherwise direct, subject, in the case of Notes of a Series comprising more than one Class of Notes, to restrictions contained in the Trust Deed to protect the interests of the holders of the Notes of each Class.

(e) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as applicable in the applicable Pricing Supplement, the Issuer may:

- (i) having provided evidence to the satisfaction of the Trustee that it has or, following, *inter alia*, the sale of the Charged Assets, termination of the Charged Agreements and payment of all costs and expenses incidental thereto, will have, sufficient funds to meet its obligations to Noteholders pursuant to this Condition 8(e) (*Redemption at the option of the Issuer (Issuer Call)*); and
- (ii) before the giving of the notice referred to in sub-paragraph (iii) below, having given not less than 15 days' notice to the Principal Paying Agent, the Registrar, the Trustee, the Counterparty (if any), the Redemption Agent (if any) and the Credit Support Provider (if any); and

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- (iii) having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notices*),

(which notices shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption), redeem the Notes, in whole or in part, then outstanding on any Optional Redemption Date at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together with interest (if any) accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected, as indicated in the applicable Pricing Supplement, either (i) individually by lot, in the case of Redeemed Notes represented by Definitive Notes, or in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**) or (ii) in accordance with the order of priorities relating to the repayment of principal of the Notes. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (*Notices*) not less than 15 days prior to the date fixed for redemption. The aggregate principal amount of Redeemed Notes represented by Definitive Notes or represented by a Global Note shall, in each case, bear the same proportion to the aggregate principal amount of all Redeemed Notes as the aggregate principal amount of Definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate principal amount of the Notes outstanding, in each case on the Selection Date, PROVIDED THAT, if necessary, appropriate adjustments shall be made to such principal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8(e) (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) at least five days prior to the Selection Date.

Upon any redemption pursuant to this Condition 8(e) (*Redemption at the option of the Issuer (Issuer Call)*), the Redemption Agent (if any) shall, forthwith upon receiving the notice referred to in (ii) above and subject to confirmation from the Trustee in respect of (i) above, arrange and administer the sale of the Charged Assets (or, as applicable the relevant proportion thereof), and the Charged Agreements (or a proportionate part thereof which corresponds to the Notes to be redeemed) will be terminated. The security over the Charged Assets securing the relevant Notes (or part thereof) will be released by the Trustee subject to the provisions specified in the Trust Deed to provide funds for such redemption.

- (f) *Redemption at the option of the Noteholders (Investor Put)*

- (i) *General option*

If Investor Put is specified as applicable in the applicable Pricing Supplement upon the holder of any Note giving to the Issuer in accordance with Condition 8(f)(ii) (*Exercise of put option*) not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) or such other period of notice as is specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in any multiple of each Specified Denomination, such Note on the relevant Optional Redemption Date by payment of the lesser of (i) the Optional Redemption Amount, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date, specified in the applicable Pricing

Supplement and (ii) the Realisation Amount in respect of such Note, subject as provided in Condition 8(f)(ii) (*Exercise of put option*) and Condition 8(f)(iii) (*Consequence of exercise of put option*) below.

As more fully described in Condition 8(f)(iii) (*Consequence of exercise of put option*) below, the Issuer shall only make payments in respect of any Note being redeemed pursuant to this Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*) to the extent of sums received in respect of the relevant Mortgaged Property (and applied in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable)) and the redeeming Noteholder shall have no claims for any further amounts in respect of any shortfall (as defined in Condition 8(f)(iii) (*Consequence of exercise of put option*) below and no such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*).

(ii) *Exercise of put option*

If the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of such Note, the holder of such Note must deliver such Note at the specified office of any Paying Agent, any Transfer Agent or the Registrar at any time during normal business hours of such Paying Agent, such Transfer Agent or the Registrar, as the case may be, falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent, any Transfer Agent or the Registrar and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*) and the principal amount thereof to be redeemed and, if less than the full principal amount of the Note so delivered is to be redeemed, an address to which a new Note in respect of the balance of such Note is to be sent subject to and in accordance with the provisions of Condition 1 (*Form, Denomination, Title, Registration, Transfer and Exchange*).

If the relevant Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg to exercise the right to require redemption of this Note the holder of the Note must, within the notice period, give notice to the Principal Paying Agent or the Registrar, as the case may be, of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Principal Paying Agent or the Registrar, as the case may be, by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(iii) *Consequence of exercise of put option*

Upon receipt of any notice pursuant to this Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*), the Issuer shall promptly, and in any event within three Business Days, give notice of such optional redemption to the Trustee, the Redemption Agent (if any), the Counterparty (if any) and the Credit Support Provider (if any). The Redemption Agent shall, if applicable, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets (or a proportionate part thereof which corresponds to the Notes to be redeemed).

Upon any redemption pursuant to this Condition 8(f) (*Redemption at the option of the Noteholders (Investor Put)*), the Charged Agreements (or a proportionate part thereof which corresponds to the Notes to be redeemed) will be terminated and the security over the

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Charged Assets securing the relevant Notes will be released by the Trustee subject to the provisions specified in the Trust Deed, to provide funds for such redemption.

The amount falling due on redemption of any Note redeemed pursuant to paragraph (i) above shall be subject to deduction for any costs or expenses (including taxes and other charges) which the Issuer may incur or which may be made against it as a result of or in connection with the redemption of such Note, including any costs or expenses payable by the Issuer in connection with the delivery or sale of the Charged Assets (or part thereof) and the termination of the Charged Agreements (if any) (or part thereof).

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).**
- (B) **To the extent that such assets are less than the amount which the holders of the Notes of the Series and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order set forth in the provisions of this Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.**
- (C) **Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:**
- **the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the Relevant Sums) for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);**
 - **the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;**
 - **without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and**

- the holders of the Notes, the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

(g) *Early Redemption for force majeure, act of state, illegality or impossibility*

If, for reasons beyond the control of the Issuer or, as the case may be, any Counterparty:

- (i) the performance of any of the Issuer's obligations under the Notes or the relevant Counterparty's obligations under the relevant Charged Agreement is prevented by reason of:
 - (A) a force majeure or act of state (in each case, as determined by the Calculation Agent or, if none, the Agent Bank) occurring after such obligation is entered into; or
 - (B) such obligations have become illegal or impossible in whole or in part; or
- (ii) a Regulatory Event occurs,

the Issuer may at its discretion and without obligation redeem (or, in the case of a Regulatory Event, will redeem) all but not some only of the Notes and where the Mortgaged Property includes Charged Assets, the Redemption Agent shall, subject to the provisions of the Trust Deed, arrange and administer the sale of the Charged Assets and the Charged Agreements (if any) will be terminated by the Issuer giving not less than five nor more than ten Business Days' notice to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee, the Counterparty (if any), the Credit Support Provider (if any), the Principal Paying Agent, the Registrar and the Rating Agencies (if any) which notice shall be irrevocable and shall specify the date upon which the Notes shall be redeemed (for the purposes of this Condition 8(g) (*Early Redemption for force majeure, act of state, illegality or impossibility*), such date on which the Notes become immediately due and payable, the **Early Redemption Date**).

If the Notes are so cancelled, the Issuer will, if and to the extent permitted by applicable law, pay to each Noteholder in respect of each Note held by such holder an amount equal to the Early Redemption Amount of such Note notwithstanding the force majeure, act of state, illegality or impossibility as determined by the Calculation Agent. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16 (*Notices*).

For the purpose of the above:

Regulatory Event means, whether it occurred or commenced prior to or after the Issue Date (and whether or not having the force of law):

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- (i) any promulgation or application of rules, regulations, guidance, interpretations or directives from U.S. regulatory agencies relating to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**), or
- (ii) any change in existing or future rules, regulations, guidance, interpretations or directives from U.S. regulatory agencies relating to the Dodd-Frank Act,

in each case, which becomes effective, or the Calculation Agent deems necessary for the Issuer and/or the relevant Counterparty and/or Citibank N.A. and/or any of its Affiliates to comply with, on or after the Issue Date, which the Calculation Agent determines is material in relation to the Notes and/or any Charged Agreement and/or the Issuer's and/or the relevant Counterparty's respective obligations thereunder and/or renders Citibank, N.A. or any of its Affiliate's ability to act in any capacity currently contemplated in respect of the Notes, including but not limited to ownership or sponsorship of, or investment in, the Issuer or any issuance of Notes, illegal, unenforceable or otherwise prohibited. In determining what is "material", the Calculation Agent shall have regard to such circumstances as it determines appropriate.

(h) *Early Redemption Amounts*

For the purpose of Condition 7(h) (*Early Redemption Events*), Conditions 8(b) (*Redemption in relation to the Charged Assets*), 8(c) (*Redemption for taxation reasons at the option of the Noteholders*), 8(d) (*Redemption upon termination of the Charged Agreements*) and 8(g) above (*Early Redemption for force majeure, act of state, illegality or impossibility*) and Condition 12 (*Events of Default*), the Early Redemption Amount in respect of each Note will be the Realisation Amount or, if an Early Redemption Amount is specified in the applicable Pricing Supplement, the lesser of the Early Redemption Amount so specified in the applicable Pricing Supplement and the Realisation Amount in respect of such Note, in each case, applied in accordance with Condition 3(e) (*Security – Application of proceeds*).

If the Notes become redeemable in accordance with Condition 7(h) (*Early Redemption Events*) or Condition 8(b) (*Redemption in relation to the Charged Assets*), (c) (*Redemption for taxation reasons at the option of the Noteholders*), (d) (*Redemption upon termination of the Charged Agreements*) or (g) (*Early Redemption for force majeure, act of state, illegality or impossibility*) above, upon payment of the Early Redemption Amount in respect of each Note, the Issuer shall have discharged its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof. The Early Redemption Amount may be less than the principal amount and accrued interest in respect of a Note.

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) (as defined in Condition 3(a) (*Security*)) in respect of this Series (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).**
- (B) **To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in**

accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order set forth in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.

(C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:

- the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
- the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
- without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

(i) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 8(i) (*Late payment on Zero Coupon Notes*) or upon its becoming due and repayable as provided in Condition 12 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8(h) (*Early Redemption Amounts*) above as though the reference therein to the date fixed for the redemption was replaced by reference to the date which is the earlier of:

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

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- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Trustee or Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16 (*Notices*).

- (j) *Instalments*

Unless previously redeemed or purchased and cancelled, each Note which provides for Instalment Amounts and Instalment Dates will be partially redeemed at the Instalment Amount on each Instalment Date (both as specified in the applicable Pricing Supplement) whereupon the outstanding aggregate principal amount of such Note shall be reduced for all purposes by the Instalment Amount.

On each such Instalment Date the Charged Agreements (or a proportionate part thereof which corresponds to the relevant Instalment Amount) will be terminated and the security over a proportionate part of the Charged Assets will be released by the Trustee, subject to the provisions specified in the Trust Deed, to provide funds for such redemption.

In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8(h) (*Early Redemption Amounts*) above.

- (k) *Cancellation*

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 10 (*Purchase*) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

- (l) *Payments only to the extent of funds available therefor*

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes and the related Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).**
- (B) **To the extent that such assets are less than the amount which the holders of the Notes and such Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by such Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.**
- (C) **Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any) will be deemed to accept and acknowledge that it is fully aware that:**

- the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the Relevant Sums) for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
- the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
- without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (Events of Default) or entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

9. PHYSICAL SETTLEMENT

(i) *Asset Transfer Notices*

In relation to Physical Settlement Notes represented by:

- (A) Definitive Notes, in order to obtain delivery of the Entitlement(s) in respect of any such Note, the relevant holder must deliver to the Registrar, with a copy to the Issuer and the Principal Paying Agent, not later than close of business in each place of reception on the Cut-off Date: (x) a duly completed Asset Transfer Notice in the form set out in the Agency Agreement and (y) this Note; and
- (B) Global Notes, in order to obtain delivery of the Entitlement(s) in respect of any such Note, the relevant holder must deliver to Clearstream, Luxembourg or Euroclear (each a **Clearing System**), as the case may be, with a copy to the Principal Paying Agent, not later than 10.00 a.m. (local time) on the Cut-off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement. Any such Asset Transfer Notice may only be delivered in such manner as is acceptable to the relevant Clearing System, which is expected to be by authenticated SWIFT message, in each case, in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of each Paying Agent and the Registrar.

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The Asset Transfer Notice shall:

- (A) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if delivery is to be made otherwise than in the manner specified in the applicable Pricing Supplement;
- (B) specify the Series number of the Notes and the principal amount of the Notes which are the subject of such notice;
- (C) in the case of Notes represented by Global Notes, specify the number of the Noteholder's securities account at the relevant Clearing System to be debited with such Notes;
- (D) in the case of Notes represented by Global Notes, irrevocably instruct the relevant Clearing System to debit the relevant Noteholder's securities account with the relevant Notes on or before the Maturity Date;
- (E) include an undertaking to pay all Expenses and a confirmation that the delivery of the Entitlement is subject, *inter alia*, as provided in Condition 9(iii) (*Determinations and Delivery*) and either (1) in the case of Notes represented by Global Notes, an authority to the relevant Clearing System to debit a specified account of the Noteholder with the relevant Clearing System in respect thereof and to pay such Expenses or (2) in the case of Notes represented by Global Notes or Notes in definitive form, an authority to the Issuer either to deduct from any cash amount owing to the Noteholder an amount sufficient to pay such Expenses and to pay on behalf of the Noteholder such Expenses or to convert such amount of the Entitlement due to be delivered to such Noteholder as is necessary to pay such Expenses and to pay on behalf of the Noteholder such Expenses, as referred to in Condition 9(iii) (*Determinations and Delivery*), and a confirmation that delivery of any Entitlement is subject as provided below;
- (F) include such details as are required by the applicable Pricing Supplement for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Noteholder's account with the relevant Clearing System, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting (1) the Entitlement or any Fractional Entitlement (if applicable) or (2) any dividends relating to the Entitlement or (3) as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Redemption Amount or (4) as a result of the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Redemption Amount or (5) as a result of the Issuer electing to pay the Alternate Cash Redemption Amount;
- (G) certify that the beneficial owner of each Note which is the subject of the relevant Asset Transfer Notice is a Permitted Purchaser, the Note is not being redeemed within the United States or on behalf of a Non-Permitted Purchaser 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 Non-Permitted Purchaser in connection with any redemption thereof; and

- (H) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

As used above:

Entitlement means, in relation to a Physical Settlement Note, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Noteholder is entitled to receive on the Maturity Date in respect of each Specified Denomination following payment of any Expenses as provided herein and rounded down as provided in Condition 9(iv) (*General*), as determined by the Calculation Agent, including any documents evidencing such Entitlement.

Expenses means all costs, taxes, duties, governmental charges and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer, withholding taxes or tax on income profits or gains and/or other costs, duties or taxes arising from the transfer or delivery of the Entitlement(s).

If Condition 9(iv) (*General*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained during normal business hours from the specified office of each Paying Agent.

(ii) *Verification of the Holder*

Upon receipt of an Asset Transfer Notice in respect of Notes in definitive form, the Registrar will inform the Issuer thereof.

Upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person specified therein as the accountholder is the holder of the Notes described therein according to its records. Subject thereto, in respect of Notes cleared through a Clearing System, the relevant Clearing System will confirm to the Principal Paying Agent the Series number and principal amount of Notes the subject of such notice, the relevant account details and the details for the delivery of the Entitlement(s) in respect of each Note the subject of such notice. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Maturity Date debit the securities account of the relevant Noteholder with the relevant Notes.

(iii) *Determinations and Delivery*

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form:

- (A) where such Asset Transfer Notice relates to Notes in definitive form, shall be made by the Registrar, as the case may be, in consultation with the Issuer and shall be conclusive and binding on the Issuer, each Paying Agent, the Registrar and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuer immediately after being delivered or sent to the Registrar, as provided in Condition 9(i) (*Asset Transfer Notices*) above, shall be null and void. If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Registrar and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the Registrar; or

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- (B) where such Asset Transfer Notice relates to Notes represented by Global Notes, shall be made by the relevant Clearing System in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent immediately after being delivered or sent to the relevant Clearing System as provided in Condition 9(i) (*Asset Transfer Notices*) above, shall be null and void. If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System and the Principal Paying Agent.

The Issuer shall use reasonable endeavours promptly to notify the Noteholder submitting an Asset Transfer Notice if it has been determined, as provided above, that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, any Issuer Credit Enhancer, the Agents, the Registrar and any relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Registrar or the relevant Clearing System, as applicable and as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

Subject as provided herein and subject to the payment of any Expenses, the Entitlement will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), PROVIDED THAT the Asset Transfer Notice is duly delivered to, and copied to, the relevant persons, as provided above on or prior to the Cut-off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the relevant persons specified above, on or prior to the Cut-off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Maturity Date and no liability in respect thereof shall attach to the Issuer or any other person.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the relevant persons specified above, on or prior to the date falling 180 days after the Cut-off Date, then the Issuer's obligations in respect of the Notes held by such Noteholder for which no Asset Transfer Notice has been duly given shall be discharged and the Issuer shall have no further liability in respect thereof.

The Issuer shall, at the risk of the relevant Noteholder, deliver or procure the delivery of the Entitlement for each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Entitlement shall be made until all

Expenses have been paid to the satisfaction of the Issuer or, as the case may be, the Issuer Credit Enhancer by the relevant Noteholder. Any such Expenses shall either be:

- (A) paid to the Issuer by such Noteholder prior to the delivery of the Entitlement; or
- (B) be (x) deducted by or on behalf of the Issuer from any cash amount owing to such Noteholder and paid by the Issuer on behalf of the Noteholder or (y) paid by the Issuer on behalf of such Noteholder by converting such amount of the Entitlement as necessary to pay the Expenses,

as specified by the Noteholder in the relevant Asset Transfer Notice.

If any Expenses are not paid by a Noteholder pursuant to the above, the relevant Noteholder shall be deemed to authorise the Issuer to convert and the Issuer may convert such amount of the Entitlement into cash sufficient to cover the Expenses in respect of the relevant Note from which the Issuer shall deduct such Expenses. The Issuer's obligation in respect of each Note will be satisfied in relation to the Maturity Date by delivery of the remaining Entitlement in respect of such Note.

All deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of delivery.

(iv) *General*

Subject as provided below, Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes, PROVIDED THAT, the aggregate Entitlements in respect of the same Noteholder will be rounded down to the nearest whole Tradeable Amount of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. If the applicable Pricing Supplement specifies that Aggregation of Entitlements does not apply, the Entitlement in respect of each Specified Denomination will be rounded up or down (as specified in the applicable Pricing Supplement) to the nearest whole multiple of the Tradeable Amount of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions or numbers of the Relevant Asset or of each of the Relevant Assets, as the case may be, less than the relevant Tradeable Amount (the **Fractional Entitlement**) will not be delivered and no cash or other adjustment will be made in respect thereof unless "Cash Adjustment" is specified as applicable in the applicable Pricing Supplement. If "Cash Adjustment" is specified as applicable in the applicable Pricing Supplement, the Issuer shall pay to the relevant Noteholder a cash amount in the Specified Currency (to be paid at the same time as delivery of the Entitlement) equal to the value (as determined by the Calculation Agent) of such Fractional Entitlement, calculated as specified in the applicable Pricing Supplement.

Following the Delivery Date in respect of a Note where the Entitlement(s) includes securities, all dividends and/or other distributions on the relevant securities to be delivered will be payable to the party that would receive such dividend or distribution according to market practice for a sale of the relevant securities executed on the Delivery Date and to be delivered in the same manner as such relevant securities. Any such dividends or distributions to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Condition 9(i) (*Asset Transfer Notices*).

If any Entitlement is delivered later than the date on which delivery would otherwise have taken place as provided herein, the Issuer or any person acting on behalf of the Issuer shall

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continue to be the legal owner of the assets comprising the Entitlement (the **Intervening Period**). None of the Issuer, any Issuer Credit Enhancer, the Agents and any other person shall at any time (A) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, any payment whatsoever received by that person in its capacity as the holder of such assets, (B) be under any obligation to exercise or procure exercise of any or all rights attaching to such assets or (C) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such assets.

None of the Issuer, any Issuer Credit Enhancer and the Agents shall under any circumstances be liable for any acts or defaults of Euroclear and/or Clearstream, Luxembourg, as the case may be, in relation to the performance of its duties in relation to the Notes.

(v) *Settlement Disruption*

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the Delivery Method specified in the applicable Pricing Supplement, or such other commercially reasonable manner as the Calculation Agent has determined, is not practicable by reason of a Settlement Disruption Event subsisting on the Maturity Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, PROVIDED THAT, the Issuer may elect to satisfy its obligations in respect of the relevant Note by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner PROVIDED FURTHER THAT, if the Notes are rated by a Rating Agency, such day shall be no later than eight Business Days following the originally-designated Delivery Date. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16 (*Notices*). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 (*Notices*) that a Settlement Disruption Event has occurred. No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

Disruption Cash Redemption Amount, in respect of any relevant Note, shall be (a) where the Notes are not rated by a Rating Agency, the fair market value of such Note on a day selected by the Issuer (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant

Assets), less the cost to the Issuer and/or any Counterparty and their Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent; or (b) where the Notes are rated by a Rating Agency, the amount specified in the applicable Pricing Supplement;

Settlement Business Day in respect of each Note, has the meaning specified in the applicable Pricing Supplement relating to such Note; and

Settlement Disruption Event means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer or any person on its behalf cannot make delivery of the Relevant Asset(s) using the Delivery Method specified in the applicable Pricing Supplement.

(vi) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Pricing Supplement and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver**), then:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Date in accordance with this Condition 9 (*Physical Settlement*); and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement notwithstanding any other provision hereof the Issuer may elect to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Failure to Deliver Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16 (*Notices*). Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16 (*Notices*). The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 (*Notices*) that the provisions of this Condition 9(vi) (*General*) apply.

For the purposes hereof, **Failure to Deliver Redemption Amount** in respect of any relevant Note shall be (a) where the Notes are not rated by a Rating Agency, the fair market value of the Affected Relevant Assets on a day selected by the Issuer in consultation with the Calculation Agent, less the cost to the Issuer and/or any Counterparty and their Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent; or (b) where the Notes are rated by a Rating Agency, the amount specified in the applicable Pricing Supplement.

(vii) *Variation of Settlement*

If the applicable Pricing Supplement indicate that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may, elect not to pay the relevant Noteholders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Noteholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders in accordance with Condition 16 (*Notices*).

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(viii) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Redemption Amount*

The Issuer may, in respect of Physical Settlement Notes, if the Calculation Agent determines that the Relevant Asset or Relevant Assets, as the case may be, comprises securities which are not freely tradeable, elect either (i) to substitute for the Entitlement (or part thereof) (x) where the Notes are not rated by any Rating Agency, an equivalent value (as determined by the Calculation Agent) of such other securities which the Calculation Agent determines are freely tradeable; or (y) where the Notes are rated by a Rating Agency, an amount of such other securities which the Calculation Agent determines are freely tradeable determined as specified in the applicable Pricing Supplement, (each a **Substitute Asset**) or (ii) not to deliver or procure the delivery of the Entitlement or any Substitute Asset, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to each relevant Noteholder on the Maturity Date of an amount equal to (x) where the Notes are not rated by any Rating Agency, the fair market value of the Entitlement (or part thereof) as determined by the Calculation Agent at such time and by reference to such sources as it considers appropriate; or (y) where the Notes are rated by a Rating Agency, an amount determined as specified in the applicable Pricing Supplement (each, the **Alternate Cash Redemption Amount**). Notification of any such election will be given to Noteholders in accordance with Condition 16 (*Notices*).

For purposes hereof, a **freely tradeable** security shall mean (i) with respect to the United States, a security which is registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or not restricted under the Securities Act and which is not purchased from the issuer of such security and not purchased from an affiliate of the issuer of such security or which otherwise meets the requirements of a freely tradeable security for purposes of the Securities Act, in each case, as determined by the Calculation Agent or (ii) with respect to any other jurisdiction, a security not subject to any legal restrictions on transfer in such jurisdiction.

(ix) *Rights of Noteholders*

The purchase of Notes does not confer on any holder of such Notes any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(A) All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer in respect of the Notes (as defined below) and the related Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).

(B) To the extent that such assets are less than the amount which the holders of the Notes and such Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by such Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b)

following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.

- (C) Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any) will be deemed to accept and acknowledge that it is fully aware that:
- the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above, (the Relevant Sums) for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);
 - the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes, or the Charged Agreement (if any), respectively;
 - without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
 - the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) or entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the Original Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

10. PURCHASE

If so specified in the applicable Pricing Supplement, the Issuer may, PROVIDED THAT no Event of Default has occurred and is continuing, purchase Notes (or any of them) at any time and from time to time in the open market or otherwise at any price.

On any such purchase the Charged Agreements (or a proportionate part thereof which corresponds to the Notes to be purchased) will be terminated, the Redemption Agent shall, if applicable, as soon as reasonably practicable arrange for and administer the sale of the Charged Assets (or a proportionate part thereof which corresponds to the Notes to be redeemed) and the security over the Charged Assets securing the Notes to be purchased will be released by the Trustee, subject to the provisions of the Trust Deed, to provide funds for such purchase. In the case of purchase of some only of the Notes represented by a definitive Note certificate, the Registrar shall deliver, *mutatis mutandis* in

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accordance with Condition 1 (*Form, Denomination, Title, Registration, Transfer and Exchange*), a Note certificate for the unpurchased balance to the relevant Noteholder.

The Realisation Amount (after the termination payment (if any) is paid to the Counterparty (if any) or is received by the Issuer upon partial termination of the Swap Agreement) may be less than the purchase price of the Notes.

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) in respect of this Series (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.**
- (B) **To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.**
- (C) **Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:**
- **the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);**
 - **the obligations of the Issuer to make payments in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;**
 - **without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and**
 - **the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall.**

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements.

None of the Trustee, the Original Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

If the applicable Pricing Supplement does not indicate that the Issuer may purchase Notes, the Issuer may not purchase Notes.

All Notes purchased by the Issuer pursuant to this Condition 10 (*Purchase*) shall be cancelled in accordance with the provisions of Condition 8(k) (*Cancellation*).

11. PRESCRIPTION

The Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

The Issuer shall be discharged from its obligation to pay principal on a Note to the extent that a cheque which has been duly despatched remains uncashed at the end of the period of ten years from the Relevant Date in respect of such payment. The Issuer shall be discharged from its obligation to pay interest on a Note to the extent that a cheque which has been duly despatched remains uncashed at the end of the period of five years from the Relevant Date in respect of such payment.

Relevant Date means the date on which payment of principal and interest first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16 (*Notices*).

12. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate principal amount of, in the case of a Series of Notes comprising only one Class of Notes, the Notes then outstanding or, in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, the most senior ranking Class of Notes then outstanding or in the case of a Series of Notes comprising more than one Class of Notes where the Notes of each Class rank *pari passu*, of each Class of Notes or if so directed by an Extraordinary Resolution of, in the case of a Series of Notes comprising only one Class of Notes, the Noteholders or, in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, the Noteholders of the most senior ranking Class of Notes then outstanding PROVIDED THAT in the case of Notes of a Series comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, subject to the restrictions contained in the Trust Deed to protect the interests of the holders of the Notes of each Class, the Trustee shall (subject in any such case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at the Early Redemption Amount and the security constituted by the Trust Deed and/or the Charging Document (as the case may be) shall become enforceable (as provided in the Trust Deed and/or the Charging Document (as the case may be)) and the proceeds of

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realisation of such security shall be applied as specified in Condition 3(e) (*Application of proceeds*) if any of the following events shall occur and be continuing (each an **Event of Default**):

- (a) in the case of a Series comprising only one Class of Notes or in the case of a Series of Notes comprising more than one Class of Notes where the Notes of each Class rank *pari passu*, if default is made in the payment of any principal amount or interest due or default in the delivery of any Entitlement in respect of the Notes or any of them or in the Notes or any of them of any Class, as the case may be, and in either case the default continues for a period of 14 days; or
- (b) in the case of a Series comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, if default is made in the payment of any principal amount or interest due or default in the delivery of any Entitlement in respect of the Notes of the most senior ranking Class of Notes then outstanding and the default continues for a period of 14 days; or
- (c) if any application or order is made by any competent court or any resolution passed for the winding-up, administration or dissolution of the Issuer, the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any), as the case may be, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements on terms approved in advance by the Trustee or by an Extraordinary Resolution of Noteholders or of the Noteholders for each Class in the case of a Series of Notes comprising only one Class of Notes or, as the case may be, of a Series or Notes comprising more than one Class or Notes where the Notes of each Class rank *pari passu*, or, by the Noteholders of the most senior ranking Class of Notes then outstanding in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes or any person so entitled applies to the court for the administration of the Issuer, the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any) or files notice with the court of its intention to appoint an administrator in respect of the Issuer, the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any); or
- (d) if the Issuer, the Issuer Credit Enhancer (if any) or the Credit Support Provider (if any) as the case may be, fails to perform or observe any of its other obligations under the Notes, the Notes Guarantee (if any) the Trust Deed and/or the Charging Document (as the case may be) (the breach of which obligation the Trustee shall have certified to be in its opinion materially prejudicial to the interests of the Noteholders) and such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer, the Issuer Credit Enhancer or the Credit Support Provider, as the case may be, (with a copy to the Issuer, in the case of service on the Issuer Credit Enhancer or the Credit Support Provider) of notice requiring the same to be remedied.

13. ENFORCEMENT

At any time after the Notes or any of them shall have become due and repayable and have not been repaid, the Trustee may, at its discretion and without notice, institute such proceedings against the Issuer and/or the Issuer Credit Enhancer (if any) and/or the Credit Support Provider (if any) as it may think fit to enforce repayment thereof together with accrued interest (if any) and to enforce the provisions of the Notes, the Notes Guarantee, the Trust Deed and/or the Charging Document (as the case may be), but it shall not be bound to institute any such proceedings unless:

- (a) it shall have been so directed by an Extraordinary Resolution of, in the case of a Series of Notes comprising only one Class of Notes, the Noteholders or, in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, the Noteholders of the most senior ranking

Class of Notes then outstanding or in writing by the Counterparty (if any) or in the case of a Series of Notes comprising more than one Class of Notes where the Notes of each Class rank *pari passu*, or each Class of Notes or in writing by the Counterparty (if any) or so requested in writing by the holders of at least one-fifth in aggregate principal amount of, in the case of a Series of Notes comprising only one Class of Notes, the Notes then outstanding or, in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, the most senior ranking Class of Notes then outstanding or in the case of a Series of Notes comprising more than one Class of Notes where the Notes of each Class rank *pari passu*, or each Class of Notes PROVIDED THAT (i) the Trustee shall not act on the directions of the Counterparty (if any) to the extent that such directions conflict with any such request or the directions of the Noteholders or, in the opinion of the Trustee, would be prejudicial to the interests of the Noteholders and (ii) in the case of a Series of Notes comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, subject to the restrictions contained in the Trust Deed to protect the interests of the holders of the Notes of each Class; and

- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

On an application for the appointment of an administrator in respect of the Issuer or the giving of notice of intention of appointment of an administrator in respect of the Issuer, the Original Trustee may at its discretion and shall, if directed in writing by a Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction), appoint an Administrative Receiver (as defined in Section 29(2) of the Insolvency Act 1986) to the Issuer and/or take such other action as may be required to enforce the Floating Charge, in each case, in accordance with the terms of the Master Trust Deed. The Issuer waives any claims against the Original Trustee in respect of any appointment of an Administrative Receiver made pursuant to Master Trust Deed.

The Trustee and the Original Trustee (as applicable) may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee and the Original Trustee (as applicable) may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power. Neither any Noteholder nor the Counterparty (if any) shall be entitled to proceed against the Issuer and/or the Issuer Credit Enhancer (if any) and/or Credit Support Provider (if any) unless the Trustee and the Original Trustee (as applicable), having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing. Except as aforesaid, only the Trustee and the Original Trustee (as applicable) may enforce the rights of the Noteholders, the Counterparty (if any), the Agent Bank (if any), the Calculation Agent (if any), the Redemption Agent (if any), the Custodian (if any) or any Paying Agent.

After realising the security which has become enforceable and distributing the net proceeds in accordance with Condition 3 (*Security*), the obligations of the Issuer with respect to the Trustee, the Counterparty (if any), the Registrar, any Paying Agent, the Custodian (if any), the Agent Bank (if any), the Transfer Agent (if any), the Calculation Agent (if any), the Redemption Agent (if any), the Issuer Credit Enhancer (if any) and any Noteholder, any Charged Agreement, the Agency Agreement and the Notes Guarantee (if any) shall be satisfied and none of the foregoing parties may take any further steps against the Issuer to recover any further sums in respect thereof and the right to receive any such sums shall be extinguished. Claims against the Issuer Credit Enhancer (if any) or Credit Support Provider (if any) will not be subject to any such limitation as aforesaid.

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None of the Trustee and the Original Trustee (as applicable), the Counterparty (if any), the Registrar, any Paying Agent, the Custodian (if any), the Agent Bank (if any), the Transfer Agent (if any), any Calculation Agent, the Redemption Agent (if any), the Issuer Credit Enhancer (if any), the Credit Support Provider (if any) and any Noteholder shall be entitled in respect thereof to petition or to take any other steps for the bankruptcy, liquidation or winding-up of the Issuer nor shall any of them have any claim in respect of the Notes or any other Series or any other Tranche unless so provided in the Pricing Supplement relating to any such other Series or Tranche. Claims against the Issuer Credit Enhancer (if any) will not be subject to any such limitation as aforesaid.

Unless otherwise specified in the applicable Pricing Supplement, if the Notes are of a Series comprising more than one Class of Notes and are of a Class ranking junior in point of priority to any other Class of Notes within such Series, then, notwithstanding the foregoing paragraph, none of the Noteholders of such Class and none of the Counterparty (if any), the Registrar, the Agent Bank (if any), the Transfer Agent (if any), the Calculation Agent (if any), the Redemption Agent (if any), the Custodian (if any), the Issuer Credit Enhancer (if any) or any Paying Agent shall be entitled to take any steps against the Issuer to recover any sums in respect of the obligations of the Issuer in relation to such Class owing to such party (including petitioning or taking any other steps for bankruptcy, liquidation or winding up of the Issuer) unless and until the Issuer's obligations in respect of the Trustee and the Original Trustee (as applicable), the Noteholders of any senior Class or Classes of Notes of such Series, the Counterparty (if any), the Registrar, the Agent Bank (if any), the Transfer Agent (if any), the Calculation Agent (if any), the Redemption Agent (if any), the Custodian (if any), the Issuer Credit Enhancer (if any) or any Paying Agent in relation to the senior ranking Class or Classes of Notes of such Series shall have been paid in full.

- (A) **All payments and/or the delivery of any Entitlement in respect of Physical Settlement Notes to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any) will be made only from and to the extent of the assets received or recovered from time to time by or on behalf of the Issuer or the Trustee or the Original Trustee (as applicable) in respect of (i) the relative Charged Assets and, if applicable, the relative Credit Support Document(s) and (ii) in the case of the Notes, the other Mortgaged Property (as defined in Condition 3(a) (*Security*)) (applied, (a) prior to enforcement of the security for the Notes, in accordance with the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the provisions of Condition 3(e) (*Application of proceeds*) and the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement).**
- (B) **To the extent that such assets are less than the amount which the holders of the Notes and the Counterparty (if any) may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by such holders and by the Counterparty (if any) (a) prior to enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the applicable Pricing Supplement and (b) following enforcement of the security for the Notes, in accordance with the inverse of the order of priorities set out in the provisions of Condition 3(e) (*Application of proceeds*) and as the Security Ranking Basis (if applicable) specified in the applicable Pricing Supplement.**
- (C) **Each holder of Notes, by subscribing for or purchasing such Notes, and each Counterparty (if any), will be deemed to accept and acknowledge that it is fully aware that:**
- **the holders of the Notes and the Counterparty (if any) shall look solely to the assets referred to in paragraph (A) above, as applied in accordance with**

paragraphs (A) and (B) above (the Relevant Sums), for payments and/or deliveries to be made by the Issuer hereunder in respect of the Notes and the Charged Agreement (if any);

- the obligations of the Issuer to make payments and/or deliveries in respect of the Notes and the Charged Agreement (if any) will be limited to the Relevant Sums and the holders of the Notes and the Counterparty (if any) shall have no further recourse to the Issuer in respect of the Notes or the Charged Agreement (if any), respectively;
- without prejudice to the foregoing, any right of the holders of the Notes and the Counterparty (if any) to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- the holders of the Notes and the Counterparty (if any) shall not be able to petition for the bankruptcy, liquidation or winding up of the Issuer as a consequence of any such shortfall.

Such limitation shall be without prejudice to any claims against the relevant Issuer Credit Enhancer (if any).

No such shortfall shall constitute an Event of Default under Condition 12 (*Events of Default*) nor entitle the Counterparty (if any) or the Credit Support Provider (if any) to terminate the remainder of the Charged Agreements or the Credit Support Document(s).

None of the Trustee, the Original Trustee, the shareholders of the Issuer, any Counterparty and any Credit Support Provider has any obligation to any Noteholder for payment and/or delivery of any assets by the Issuer in respect of the Notes.

14. REPLACEMENT OF NOTES

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may, subject to all applicable laws and regulations, be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

15. AGENTS

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

The Issuer, with the prior approval of the Trustee, is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, PROVIDED THAT, so long as any of the Notes is outstanding:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Registrar with a specified office in a city in continental Europe;
- (c) there will at all times be at least one Transfer Agent which, for so long as any Notes are listed on a stock exchange, shall have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

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- (d) so long as any Notes are listed on a stock exchange, there will at all times be a Paying Agent (which may be the Principal Paying Agent) or a Registrar, as the case may be, having a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (e) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive;
- (f) there will at all times be a Custodian (if applicable) and such Custodian shall, for so long as required by the Securitisation Act 2004, be a credit institution established or having its registered office in Luxembourg;
- (g) there will at all times be a Redemption Agent (if specified in the applicable Pricing Supplement);
- (h) there will at all times be an Agent Bank (if specified in the applicable Pricing Supplement); and
- (i) there will at all times be a Calculation Agent (if specified in the Pricing Supplement).

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(c) (*Payments – General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect, with the prior approval of the Trustee (other than in the case of insolvency, when it shall be of immediate effect) after not less than 15 nor more than 30 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16 (*Notices*).

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

16. NOTICES

Notices to the holders of Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to them (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth week day (being a day other than a Saturday or Sunday) (or, if posted to an overseas address, the seventh week day) after the date of mailing. With respect to Notes listed on the Luxembourg Stock Exchange and so long as the rules of that exchange so require, any notices to holders must be published on the website of the Luxembourg Stock Exchange and any such notice will be deemed validly given on the date of such publication or, if published more than once or on different dates, on the date of first publication as provided above.

Until such time as any definitive Notes are issued, there may, so long as any Global Note(s) representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing, the delivery of the relevant notice to Euroclear and /or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed and/or admitted to trading on a stock exchange and the rules of that stock exchange so require, such notice will be published in the manner and/or place(s) required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on

the Business Day immediately following the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

17. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND DETERMINATIONS

(a) *Meetings of Noteholders*

The Master Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the Notes or any of the provisions of the Trust Deed or the Charging Document (if any), subject in the case of Notes of a Series comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, to restrictions contained in the Master Trust Deed to protect the interests of holders of the Notes of each Class. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing in the aggregate not less than 75 per cent. in principal amount of the Notes of the relevant Series (where the Notes are of a Series comprising only one Class or where the Notes are of a Series comprising more than one Class and the Notes of each Class rank *pari passu* and the Trustee has consented to a single meeting of the holders of each Class) or Class (in any other case), as the case may be, for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented. Subject as provided below in respect of Notes of a Series comprising more than one Class of Notes. The Trust Deed provides that (i) a resolution passed at a meeting of the Noteholders of the relevant Class or Series duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes of the relevant Class or Series or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes of the relevant Class or Series, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

Save as otherwise provided in the Trust Deed, in the case of Notes of a Series comprising more than one Class of Notes where the Notes of each Class rank *pari passu*, an Extraordinary Resolution will only be valid and take effect if passed at separate meetings of the holders of the Notes of each Class, subject as provided in the next sentence. The Trustee may however, where it is of the opinion that there is no conflict between the interests of the holders of the Notes of any Class (which Notes comprise a single Series and the Notes of each Class rank *pari passu*), permit an Extraordinary Resolution to be valid and take effect if passed at a single meeting of the holders of the Notes of each Class comprising the same Series.

Where the Notes are of a Series comprising more than one Class of Notes where the Notes of one or more Classes rank above the Notes of another or other Classes, an Extraordinary Resolution passed at any meeting of the holders of the most senior ranking Class of Notes shall be binding on all holders of Notes ranking junior to the Notes of such Class irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of the date of maturity of the

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Notes or which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or any rate of interest payable in respect of the Notes, altering the currency of payment of any Notes or altering the quorum or majority required in relation to this exception shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the holders of each Class of Notes ranking junior to such Class or it shall not, in the opinion of the Trustee, be materially prejudicial to the interests of all such Noteholders.

An Extraordinary Resolution passed at any meeting of holders of any Class of Notes ranking junior to one or more Class of Notes shall not be effective for any purpose while any of the more senior ranking Class or Classes of Notes remains outstanding unless either:

- (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Noteholders of each of the more senior ranking Class of Notes; or
- (ii) it is sanctioned by an Extraordinary Resolution of the Noteholders of each of the more senior ranking Class of Notes.

Notwithstanding the foregoing, any resolution of the Noteholders to amend the corporate objects of the Issuer, the form of the Issuer, to change the nationality of the Issuer and/or increasing the commitments of the shareholders of the Issuer may exclusively be taken, and any meetings of Noteholders resolving thereupon must be convened and held, in accordance with the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the Companies Act 1915), as long as any specific requirements exist under the Companies Act 1915.

The provisions set out in articles 86 to 97 of the Companies Act 1915 shall not apply to the Notes.

(b) *Modification, Waiver and Substitution*

The Trustee may agree, without the consent of the Noteholders (but subject, in the case of (i) below only if the Notes are rated by a Rating Agency, to prior notification by the Issuer to such Rating Agency and confirmation therefrom as to there being no adverse change to the credit rating granted by such Rating Agency), to (i) any modification of, or to any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes the Trust Deed and/or the Charging Document (if any) or, in the case of modification, the Agency Agreement, the Charged Agreements, the Credit Support Document (if any) and/or the Notes Guarantee (if any) which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders (including, in the case of Notes of a Series comprising more than one Class of Notes, the holders of each Class of Notes), provided however that no such modification shall be effective without the consent of the Counterparty (if any) (such consent not to be unreasonably withheld or delayed) or (ii) any modification to any of the same which is of a formal, minor or technical nature or to correct a manifest error.

Subject as provided in the Master Trust Deed and whether or not following any withholding for or on account of tax being, or likely to be, imposed on payments under any Charged Agreement, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders (including, in the case of Notes of a Series comprising more than one Class of Notes, the holders of each Class of Notes), may agree, without the consent of the Noteholders (but subject to prior notification to, and confirmation from, any relevant Rating Agency as aforesaid), to the substitution of any other company in place of the Issuer as principal debtor under the Trust Deed and the Notes. No such substitution shall be effective without the consent of the Counterparty (if any), the Issuer Credit Enhancer (if any) and the Credit Support Provider (if any) (such consent not to be unreasonably withheld or delayed).

For the purposes of this Condition 17 (*Meetings of Noteholders, Modification, Waiver, Substitution and Determinations*) and article 1275 of the Luxembourg civil code, the Noteholders, by subscribing for, or otherwise acquiring the Notes (as applicable), are expressly deemed (i) to have consented to any substitution of the Issuer effected in accordance with this Condition 17 (*Meetings of Noteholders, Modification, Waiver, Substitution and Determinations*) and to the release of the Issuer from any and all obligations in respect of the Notes and the Trust Deed; and (ii) to have accepted such substitution and the consequences thereof, but provided always that the exercise by the Trustee of its powers under this Condition 17 (*Meetings of Noteholders, Modification, Waiver, Substitution and Determinations*) shall remain at its absolute discretion in accordance with the provisions of the Trust Deed.

In connection with any exercise of its trusts, powers, authorities or discretions, the Trustee shall have regard to the general interests of the Noteholders (or the holders of the Notes of the relevant one or more Classes affected thereby) as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or political sub-division thereof. In connection with any such exercise, no person shall be entitled to claim, whether from the Issuer, any substitute Issuer, the Counterparty (if any), the Credit Support Provider (if any), the Issuer Credit Enhancer (if any), the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon any person. If, in considering the interests of the Noteholders of more than one Class, there is, in the opinion of the Trustee, a conflict between the interests of the Noteholders of one or more Classes and the Noteholders of another or other Class(es), the Trustee shall not exercise such trust, power, authority or discretion (and shall not be liable for any losses incurred thereby); PROVIDED THAT the Trustee may exercise such trust, power, authority or discretion if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby.

Any such modification, waiver, authorisation or substitution shall be binding on all Noteholders and any such modification or substitution shall be notified to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*) as soon as practicable thereafter unless, in the case of a modification, the Trustee agrees otherwise.

The Master Trust Deed contains provisions limiting the powers of the holders of any Class of Notes ranking junior in point of priority to the holders of any other Class or Classes of Notes, of the same Series *inter alia*, to request or direct the Trustee to take any action or, as described above, to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the more senior ranking Class or Classes of Notes of such Series. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the holders of such senior ranking Class or Classes of Notes in respect of the holders of any junior ranking Class or Classes of Notes of the same Series to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution, and any such action or Extraordinary Resolution will be binding on the holders of any junior ranking Class or Classes of Notes of such Series, irrespective of the effect thereof on their interests.

Subject as provided below, the Original Trustee must, at the Issuer's expense, take any reasonable action a Trustee may require for the execution of a Supplemental Trust Deed and/or a supplemental Agency Agreement, to effect any modification, waiver or substitution by the Trustee in relation to a Series. Unless the Original Trustee otherwise consents, it shall not have an obligation to execute a Supplemental Trust Deed or supplemental Agency Agreement as provided above to effect any such modification, waiver or substitution which would (i) adversely affect the rights of the Original Trustee, (ii) expose the Original Trustee to a Liability (other than a fee, cost, charge or expense for

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which it has or will be been compensated), or (iii) place an onerous obligation on it which is greater than that imposed by the Conditions and the Master Trust Deed.

(c) *Determinations*

Whenever any matter falls to be determined, considered, elected, selected or otherwise decided upon by the Agent Bank, the Calculation Agent, the Redemption Agent, the Issuer, or any other person (including where a matter is to be decided by reference to the Agent Bank's, the Calculation Agent's, the Redemption Agent's, the Issuer's, or such other person's opinion), unless otherwise stated herein or in the applicable Pricing Supplement, that matter shall be determined, considered, elected, selected or otherwise decided upon by the Agent Bank, the Calculation Agent, the Redemption Agent, the Issuer or such other person, as the case may be, in good faith and in its sole and absolute discretion.

No Agent shall act as agent or trustee for the Noteholders. All quotations and determinations given or made by any Agent in relation to the Notes shall (except in the case of manifest error) be final and binding on the Issuer, the Trustee and the Noteholders. None of the Issuer, the Agent Bank and the Calculation Agent shall have any responsibility to any person for any error or omission in (a) the calculation by any Agent of any amount due and/or deliverable in respect of the applicable Notes or (b) any determination made by any Agent.

The Agent Bank, the Calculation Agent, the Redemption Agent or such other person may, without the consent of the Issuer, delegate any of its functions, obligations and duties to a third party as it deems appropriate Provided However That in such circumstances, the Agent Bank, the Calculation Agent, the Redemption Agent or such other person, as the case may be, shall remain responsible to any other person for the performance of such functions, obligations and duties delegated to the relevant third party.

(d) *Exercise of Discretion*

In exercising its discretion in respect of the Notes as provided herein, each of the Agent Bank, the Calculation Agent, the Redemption Agent, the Issuer or such other person (described in (c) above) may take into account such factors as it determines appropriate in each case, which may include, in particular, any circumstances or events which have or may have a material impact on the hedging arrangements entered into by a Hedging Party (as defined in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*)) in respect of the Notes. The exercise of the Agent Bank's and/or the Calculation Agent's and/or the Redemption Agent's and/or the Issuer's and/or such other person's discretion in respect of the Notes as provided herein are necessary because certain circumstances or events (for example a material modification or disruption to an Underlying to which the Notes are linked) may occur subsequent to the issuance of the Notes which may materially affect the costs to a Hedging Party of maintaining the relevant Notes or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Notes. In addition, as a result of certain circumstances or events (e.g. unavailability or disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of any Underlying or otherwise in connection with the Notes to be made, thus making it necessary for the Agent Bank, the Calculation Agent, the Redemption Agent, the Issuer and/or such other person to exercise its discretion in such a case.

(e) *Hedging Arrangements*

As used in this Condition 17 (*Meetings of Noteholders, Modification, Waiver, Substitution and Determinations*), **hedging arrangements** means the arrangements, if any, the Issuer and/or any Counterparty makes to have available to it the relevant cash amounts or assets to be paid or delivered under the Notes as these fall due. This may involve a Hedging Party investing directly in an

Underlying. Alternatively, a Hedging Party may make an indirect investment by entering into or acquiring a derivative contract referencing an Underlying. Such hedging arrangements may be carried out on a portfolio basis (i.e. where the Hedging Party maintains arrangements for hedging the Notes together with other obligations of the Issuer and/or its Affiliates). A Hedging Party will seek to select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates, but will do so without having regard to the interests of Noteholders. A Hedging Party may also adjust hedging arrangements from time to time but will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements. For the avoidance of doubt, no Hedging Party is under any obligation to enter into any hedging arrangements and, if any hedging arrangements are entered into, such arrangements will not confer any rights or entitlements on any Noteholder and no Noteholder will have recourse to any such hedging arrangements.

(f) *Determination of amounts payable or deliverable*

The Calculation Agent will employ the methodology described in these Conditions and/or the applicable Pricing Supplement to determine amounts payable or deliverable in respect of the Notes. When making any such determination in relation to any amounts so payable or deliverable, the Calculation Agent may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

- (i) quotations (either firm or indicative) supplied by one or more third parties or information sources;
- (ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (iii) information of the types described in (a) or (b) above from internal sources (including any Affiliates of the Calculation Agent) or other information of a type used by the Calculation Agent in the regular course of its business or in connection with similar transactions.

Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

(g) *Disclaimer of liability and responsibility*

The Calculation Agent makes no express or implied representations or warranties as to (i) the advisability of investing in or obtaining exposure to the Notes, (ii) the value of the Notes at any particular time on any particular date, or (iii) any amounts that may become payable or deliverable in respect of the Notes.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Noteholders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

The Calculation Agent shall not have any responsibility to any holder for any errors or omissions in any calculations or determinations in respect of the Notes and acts solely as an agent of the Issuer

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and does not assume any obligations towards or relationship of agency or trust for or with any holder.

(h) *Conflict of Interest*

In addition to providing calculation agency services to the Issuer, the Calculation Agent or any of its Affiliates may perform further or alternative roles relating to the Issuer and any Class and/or Series of Notes including, but not limited to, for example, being a Counterparty and/or being involved in arrangements relating to any Underlying(s) (for example as a calculation agent or, in the case of a proprietary index for example, as index sponsor). Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer and/or enter into transactions which relate to the Issuer, the Notes, the Mortgaged Property or any Underlying and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Issuer nor the Calculation Agent in respect of the Notes shall owe any duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

18. FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of the Trustee, the Noteholders, the Issuer Credit Enhancer (if any), or the Credit Support Provider (if any) or (except in the case of (i) below) the Counterparty (if any) to create and issue further notes either (i) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single Class or such other terms but nevertheless so as to form a single Series with the existing Notes of any Class or Series or (ii) upon such terms as to currency, security, interest, premium, redemption and otherwise as the Issuer may, in its sole and absolute discretion, at the time of the issue thereof determine; PROVIDED FURTHER THAT (a) in the case of (i) above (x) confirmation is received from the relevant Rating Agency (if any) that there will be no adverse change to the credit rating of the Notes which have been rated and with which the new Notes are to form a single Class or Series and (y) the value of the Mortgaged Property relating to the relevant Class or, in the case of any Series comprising more than one Class, Series is correspondingly increased, and (b) in the case of (ii) such notes are secured on assets of the Issuer other than those referred to in Condition 3 (*Security*) relating to any existing Notes and on terms in substantially the form of these Conditions which provide for the extinguishment of all claims in respect of such further bonds, notes or other securities after application of the proceeds of the assets upon which such further bonds, notes or other securities are secured. Any such notes shall be constituted in accordance with the Master Trust Deed.

19. INDEMNIFICATION AND REPLACEMENT OF THE TRUSTEE

The Master Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking any action or proceedings unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. The Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Mortgaged Property, from any obligation to insure all or any part of the Mortgaged Property (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder), to procure

the same to be insured or to monitor the adequacy of any insurance arrangements in respect of the Mortgaged Property and from any claim arising if all or any part of the Mortgaged Property (or any such document aforesaid) are held in an account with Euroclear, Clearstream, Luxembourg or any other clearing system in accordance with that clearing system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian whether or not selected by the Trustee.

The Master Trust Deed provides that the Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any liabilities incurred by reason of such retirement. In addition, the Noteholders of any Series may by Extraordinary Resolution remove the Trustee in relation to such Series. The Issuer has undertaken in the Master Trust Deed that, in the event of the only Trustee of any Series giving notice or being removed by Extraordinary Resolution of the Noteholders of such Series, it will use its best endeavours to procure that a new trustee in relation to such Series is appointed as soon as reasonably practicable thereafter. If the Issuer fails so to procure the appointment of such a new trustee, the Trustee which is retiring or has been removed (as the case may be) shall appoint a successor trustee in relation to such Series. The retirement or removal of the Trustee shall not become effective until a successor trustee in relation to the relevant Series is appointed in accordance with the provisions of the Master Trust Deed.

20. TRUSTEE CONTRACTING WITH ISSUER AND OTHER PARTIES

The Master Trust Deed contains provisions pursuant to which the Trustee is entitled, *inter alia* (i) to enter into business transactions with the Issuer and/or the Issuer Credit Enhancer (if any) and/or the Counterparty (if any) and/or the Credit Support Provider (if any) and/or any obligor in respect of the Charged Assets and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or the Issuer Credit Enhancer and/or the Counterparty (if any) and/or the Credit Support Provider (if any) and/or any obligor in respect of the Charged Assets and/or any of their subsidiary or associated companies, (ii) to exercise and enforce its rights, comply with its obligations, and perform its duties, under or in relation to any such transactions or, as the case may be, any such trusteeships without regard to the interests of the Noteholders or the Counterparty (if any) and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

22. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Trust Deed, the Agency Agreement, the Collateral Services Agreement, the Notes Guarantee (if any) and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, any Collateral Services Agreement, the Notes Guarantee (if any) and the Notes are governed by, and construed in accordance with, English law.

The Custodial Services Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, Luxembourg law.

The Charging Document (if any), the Charged Assets, the Credit Support Document(s) and the Charged Agreement(s) and any non-contractual obligations arising out of or in connection with the Charging Document (if any), the Charged Assets, the Credit Support Document(s) and the Charged

TERMS AND CONDITIONS OF THE NOTES

Agreement(s) are governed by, and will be construed in accordance with, such law as is specified in the applicable Pricing Supplement.

(b) *Submission to jurisdiction*

- (i) Subject to Condition 22(b)(iii) below, the English courts have exclusive jurisdiction to settle any disputes arising out of or in connection with the Trust Deed and/or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes (a **Dispute**) and accordingly the Issuer in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purpose of this Condition 22(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the relevant Trustee and the Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction, and (ii) concurrent proceedings in any number of jurisdictions.

(c) *Appointment of Process Agent*

The Issuer irrevocably appoints Citigroup Global Markets Limited at its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Citigroup Global Markets Limited being unable or unwilling for any reason so to act, it will appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

23. **REDENOMINATION**

If Redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders, the Trustee, the Counterparty (if any), the Redemption Agent (if any), the Credit Support Provider (if any), the Registrar, the Principal Paying Agent and any other Paying Agent, designate a Redenomination Date, being a date (which in the case of interest bearing Notes shall be a date for payment of interest under the Notes) falling on or after the date on which the country of the Specified Currency adopts the Euro as its lawful currency in accordance with the Treaty.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

- (a) each Specified Denomination will be deemed to be denominated in such amount of Euro as is equivalent to its denomination so specified in the Specified Currency at the Established Rate, rounded down to the nearest Euro 0.01;
- (b) after the Redenomination Date, all payments in respect of the Notes, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro as though references in the Notes to the Specified Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee, or at the option of the payee, by a Euro cheque;

- (c) such other changes shall be made to the Conditions as the Issuer may decide, with the agreement of Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to Notes denominated in Euro including, but not limited to, where the Notes are in global form. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 16 (*Notices*).

As used in the Conditions:

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

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of non-interest bearing Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 16 (*Notices*) and which falls on or after such date as when the country of the Specified Currency participates in the third stage of European economic and monetary union pursuant to the Treaty.

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

None of the Issuer, the Trustee, the Counterparty (if any), the Redemption Agent (if any), the Credit Support Provider (if any), the Registrar, the Principal Paying Agent and any other Paying Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

Determinations by the Issuer or the Principal Paying Agent pursuant to this Condition 23 (*Redenomination*) will, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee, the Counterparty (if any), the Redemption Agent (if any), the Credit Support Provider (if any), the Registrar, the Principal Paying Agent, any other Paying Agent and the Noteholders.

UNDERLYING SCHEDULE 1
SECURITY INDEX CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Security Index".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Security Indices.

1. DEFINITIONS

Additional Disruption Event means any of Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case, if specified in the applicable Pricing Supplement and/or any other event specified in the applicable Pricing Supplement.

Bond Index means each Security Index classified as such in the applicable Pricing Supplement.

Component Security means, in respect of a Security Index, each component security or debt instrument included in such Security Index.

Exchange means (a) in respect of a Single Exchange Index, either (i) each exchange or quotation system specified as such in respect of such Single Exchange Index in the applicable Pricing Supplement or any successor to any such exchange or quotation system, or any substitute exchange or quotation system to which trading in the relevant Component Securities has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to the relevant Component Securities on such temporary substitute exchange or quotation system as on the original exchange or quotation system); or (ii) where "Principal Exchanges" is specified as the Exchange in respect of a Single Exchange Index, the exchange or quotation system on which each relevant Component Security is (as determined by the Calculation Agent) principally traded; and (b) in respect of a Multiple Exchange Index and each relevant Component Security, the exchange, quotation system, over-the-counter market or trading system on which such Component Security is (as determined by the Calculation Agent) principally traded.

Exchange Business Day means (a) in respect of a Single Exchange Index, any Scheduled Trading Day for such Single Exchange Index on which each Exchange and each Related Exchange for such Single Exchange Index is open for trading during its respective regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and (b) in respect of a Multiple Exchange Index, any Scheduled Trading Day for such Multiple Exchange Index on which the relevant Index Sponsor publishes the level of such Security Index and each Related Exchange for such Multiple Exchange Index is open for trading during its regular trading session, notwithstanding any relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Increased Cost of Stock Borrow means that any Hedging Party would incur a rate to borrow any Component Security that is greater than the Initial Stock Loan Rate.

Index Sponsor means, in respect of a Security Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculation and adjustments, if any, related to such Security Index; and (b) announces (directly or through an agent) the level of such Security Index.

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

Initial Stock Loan Rate means, in respect of a Component Security, the rate that any Hedging Party would have incurred to borrow such Component Security as of the Trade Date, as determined by the Calculation Agent.

Loss of Stock Borrow means that any Hedging Party is unable, after using commercially reasonable efforts, to borrow (or to maintain a borrowing of) any Component Security at a rate equal to or less than the Maximum Stock Loan Rate.

Market Disruption Event shall have the meaning given to it in Condition 3(a) (*Single Exchange Index*) of the Security Index Conditions (in respect of a Single Exchange Index) or in Condition 3(b) (*Multiple Exchange Index*) of the Security Index Conditions (in respect of a Multiple Exchange Index).

Maximum Stock Loan Rate means, in respect of a Component Security, the lowest rate that any Hedging Party would have incurred, after using commercially reasonable efforts, to borrow such Component Security as of the Trade Date, as determined by the Calculation Agent.

Multiple Exchange Index means each Security Index specified as such in the applicable Pricing Supplement.

Related Exchange means, in respect of a Security Index, each exchange or quotation system specified as such for such Security Index in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in futures contracts or options contracts relating to such Security Index has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such futures contracts or options contracts relating to such Security Index on such temporary substitute exchange or quotation system as on the original exchange or quotation system). Where "All Exchanges" is specified in the applicable Pricing Supplement as the applicable Related Exchange in respect of a Security Index, then **Related Exchange** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures contracts or options contracts relating to such Security Index.

Scheduled Closing Time means, in respect of a Security Index, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such Security Index, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Exchange or Related Exchange.

Scheduled Trading Day means (a) in respect of a Single Exchange Index, any day on which each Exchange and each Related Exchange in respect of such Single Exchange Index is scheduled to be open for trading for its respective regular trading sessions; and (b) in respect of a Multiple Exchange Index, any day on which (i) the Index Sponsor in respect of such Multiple Exchange Index is scheduled to publish the level of such Multiple Exchange Index, (ii) each Related Exchange in respect of such Multiple Exchange Index is scheduled to be open for trading for its regular trading session and (iii) the X Percentage is no more than 20 per cent. of the relevant Component Securities.

Security Index means each Underlying classified as such in the applicable Pricing Supplement.

Single Exchange Index means each Security Index specified as such in the applicable Pricing Supplement.

X Percentage means, in respect of a Multiple Exchange Index and any day, the percentage of relevant Component Securities which are scheduled to be unavailable for trading on any relevant Exchange on such day by virtue of that day not being a day on which such relevant Exchange is

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

scheduled to be open for trading during its regular trading session. For the purposes of determining the X Percentage in respect of a Multiple Exchange Index, the relevant percentage of a relevant Component Security unavailable for trading shall be based on a comparison of (a) the portion of the level of such Multiple Exchange Index attributable to such Component Security; and (b) the overall level of such Multiple Exchange Index, in each case, using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data".

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Security Index and a Valuation Date, the official closing level of such Security Index either (a) where Same Day Publication is specified as applicable in the applicable Pricing Supplement, on such Valuation Date (and in which circumstances, where the level of such Security Index is published on a succeeding Scheduled Trading Day, the level for that Valuation Date will have been the level calculated for the Security Index for or in respect of a preceding Scheduled Trading Day) or (b) where Same Day Publication is not specified as applicable in the applicable Pricing Supplement, for such Valuation Date (and in which circumstances the level for that Valuation Date may be published on a succeeding Scheduled Trading Day), in each case, as displayed on the applicable Electronic Page.

Valuation Time means (a) in respect of a Single Exchange Index where Single Valuation Time is specified as applicable in the applicable Pricing Supplement, an Underlying Closing Level and a Scheduled Trading Day, the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day and (b) in respect of a Multiple Exchange Index or a Single Exchange Index where Single Valuation Time is specified as not applicable in the applicable Pricing Supplement and a Scheduled Trading Day: (i) for the purposes of determining whether a Market Disruption Event in respect of such Security Index has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security; and (B) in respect of any options contracts or future contracts on such Security Index, the close of trading on the relevant Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Security Index is calculated and published by the relevant Index Sponsor.

(b) *Intraday valuations*

Underlying Level means, in respect of a Security Index and a Valuation Date, the level of such Security Index observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Security Index, an Underlying Level and a Scheduled Trading Day for such Security Index, the time at which the level of such Security Index is being determined during such Scheduled Trading Day.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Security Index, any Scheduled Trading Day for such Security Index on which a Market Disruption Event occurs.

(a) *Single Exchange Index*

Market Disruption Event means, in respect of a Security Index which is a Single Exchange Index, the occurrence of any of the events set out below:

- (i) the relevant Index Sponsor fails to publish the level of such Security Index; or

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

- (ii) a relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
 - (iii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Exchange of Component Securities which in aggregate comprise 20 per cent. or more of the level of such Security Index; or
 - (iv) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Related Exchange of futures contracts or option contracts relating to such Security Index; or
 - (v) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Exchange) to effect transactions in or to obtain market values for relevant Component Securities which in aggregate comprise 20 per cent. or more of the level of such Security Index; or
 - (vi) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Security Index; or
 - (vii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any relevant Exchange in respect of Component Securities which in aggregate comprise 20 per cent. or more of the level of such Security Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Exchange system for execution at the relevant Valuation Time on such Exchange Business Day); or
 - (viii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any Related Exchange in respect of futures contracts or option contracts relating to such Security Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day).
- (b) *Multiple Exchange Index*

Market Disruption Event means, in respect of a Security Index which is a Multiple Exchange Index, the occurrence of any of the events set out below:

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

- (i) the relevant Index Sponsor fails to publish the level of such Security Index; or
- (ii) any Related Exchange fails to open for trading during its regular trading session; or
- (iii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Exchange of any relevant Component Security, and the aggregate of all relevant Component Securities so affected plus the X Percentage comprises 20 per cent. or more of the level of such Security Index; or
- (iv) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Related Exchange of futures contracts or option contracts relating to such Security Index; or
- (v) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Exchange) to effect transactions in or to obtain market values for any relevant Component Security, and the aggregate of all relevant Component Securities so affected plus the X Percentage comprises 20 per cent. or more of the level of such Security Index; or
- (vi) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Security Index; or
- (vii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any relevant Exchange in respect of any relevant Component Security prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Exchange system for execution at the relevant Valuation Time on such Exchange Business Day), and the aggregate of all relevant Component Securities so affected plus the X Percentage comprises 20 per cent. or more of the level of such Security Index; or
- (viii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any Related Exchange in respect of futures contracts or option contracts relating to such Security Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day).

(c) *Determining whether or not a Market Disruption Event exists*

For the purposes of determining whether or not a Market Disruption Event exists in respect of a Security Index at any time, if an event giving rise to a Market Disruption Event occurs in respect of a Component Security of such Security Index at such time, then the relevant percentage contribution of such Component Security to the level of such Security Index shall be based on a comparison of (i) the portion of the level of such Security Index attributable to such Component Security; and (ii) the overall level of such Security Index, either (A) where such Security Index is a Single Exchange Index, immediately before the occurrence of such Market Disruption Event; or (B) where such Security Index is a Multiple Exchange Index, using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data".

For the purposes of determining whether or not a Market Disruption Event exists in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of such Component Security at such time, then the relevant percentage contribution of such Component Security to the level of the relevant Security Index shall be based on a comparison of (i) the portion of the level of such Security Index attributable to such Component Security; and (ii) the overall level of such Security Index, using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data".

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Security Index:

- (i) such Security Index is either (a) not calculated and announced by or on behalf of the relevant Index Sponsor but instead is calculated and announced by or on behalf of a successor to such relevant Index Sponsor acceptable to the Calculation Agent; or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Security Index (such index, the **Successor Index**, which will be deemed to be such Security Index); and
- (ii) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Security Index; the Calculation Agent determines that no calculation or substitution can reasonably be made under Condition 6(b) (*Modification or cancellation of a Security Index and Security Index Substitution*) of the Security Index Conditions.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Security Index, two Business Days.

- (b) *Modification or cancellation of a Security Index and Security Index Substitution*

- (A) *Security Index Adjustment Events*

If, in respect of a Security Index, (i) on or prior to any Valuation Date, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the level of such Security Index or in any other way materially modifies such Security Index (other than

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

a modification prescribed in that formula or method to maintain such Security Index in the event of changes in Component Securities and capitalisation and other routine events) (a **Security Index Modification**); or (ii) on or prior to any Valuation Date, the relevant Index Sponsor at any time permanently cancels such Security Index and no Successor Index (as defined in Condition 4 (*Additional Adjustment Events*) of the Security Index Conditions) exists (a **Security Index Cancellation**); or (iii) on or prior to any Valuation Date the relevant Index Sponsor or any person or entity on its behalf fails to calculate and announce such Security Index (a **Security Index Disruption**, and together with a Security Index Modification and a Security Index Cancellation, a **Security Index Adjustment Event**), then the Calculation Agent shall determine if such Security Index Adjustment Event has a material effect on the Notes, and if so, either:

- (i) calculate the relevant level of such Security Index at the relevant time on such Valuation Date using, in lieu of a published level for such Security Index, the level of such Security Index at the relevant time on such Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating the level of such Security Index last in effect prior to the occurrence of such Security Index Adjustment Event but using only those Component Securities or other assets or instruments which comprised such Security Index immediately prior to the occurrence of such Security Index Adjustment Event (other than those Component Securities or other assets or instruments which have since ceased to be listed on any relevant Exchange); and/or
- (ii) substitute such Security Index as provided in Condition 6(b)(B) (*Security Index Substitution*) of the Security Index Conditions and make such adjustments (if any) to the Terms and Conditions and/or the applicable Pricing Supplement as it deems necessary or appropriate in relation to such substitution; and/or
- (iii) make such adjustments to the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for the effect of such Security Index Adjustment Event and determine the effective date of each such adjustment.

If no calculation, substitution and/or adjustment can reasonably be made pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Security Index Conditions shall apply.

(B) *Security Index Substitution*

Any adjustment made by the Calculation Agent pursuant to Condition 6(b)(A)(ii) (*Security Index Adjustment Events*) of the Security Index Conditions shall be, and any adjustment made by the Calculation Agent in response to an Adjustment Event may include, a Security Index Substitution.

Security Index Substitution means, in relation to a Security Index Adjustment Event or an Adjustment Event, the replacement of the Security Index the subject of such Security Index Adjustment Event or Adjustment Event, as the case may be, with a new security index selected by the Calculation Agent (which shall be a replacement security index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the level of such Security Index or a replacement security index selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement). Such new security index shall be deemed to be a Security Index in place of the Security Index the subject of the Security Index Adjustment Event or Adjustment Event, as the case may be.

(c) *Determination of the Underlying Closing Level of a Security Index on a Disrupted Day*

If, in accordance with Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions, an Underlying Closing Level of a Security Index is to be determined on a Valuation Date which is a Disrupted Day for such Security Index, then the Calculation Agent shall determine such Underlying Closing Level of such Security Index at the Valuation Time on such Valuation Date in accordance with the formula for and method of calculating the level of such Security Index last in effect prior to the occurrence of the first Disrupted Day in respect of such Security Index, using either (i) the price traded or quoted on the relevant Exchange as of the relevant Valuation Time on such Valuation Date of each Component Security contained in such Security Index; or (ii) (if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on that Valuation Date) its good faith estimate of the value for the relevant Component Security as of the relevant Valuation Time on such Valuation Date.

(d) *Calculation Agent's discretion to determine non-material events*

If the Calculation Agent determines that it is not material that any day which would otherwise have been a Valuation Date is:

- (i) not a Scheduled Trading Day for a Security Index because one or more relevant Related Exchanges is not scheduled to be open; or
- (ii) a Disrupted Day for a Security Index solely because any relevant Related Exchange fails to open,

then the Calculation Agent shall have the discretion to determine any such day either (A) to be the Valuation Date in respect of a Security Index, notwithstanding that such day is not a Scheduled Trading Day for such Security Index because one or more such Related Exchanges is not scheduled to be open; or (B) not to be a Disrupted Day where such day would be a Disrupted Day solely because any such Related Exchange fails to open.

In determining what is "material", the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (without limitation) the effect of the above on (I) any Underlying Closing Level or any Underlying Level (as relevant) of the affected Security Index; (II) any trading in futures contracts or options contracts on any such relevant Related Exchange; and (III) the Issuer's hedging arrangements in respect of the Notes.

(e) *Conditions for Bond Indices*

In relation to a Security Index which is specified to be a Bond Index in the applicable Pricing Supplement, all references to "Security Index" and "Security Indices" in these Security Index Conditions shall be deemed to be references to "Bond Index" and "Bond Indices" and these Security Index Conditions shall be deemed to be amended as set out below.

(i) Valuation

The definition "Valuation Time" set out in Condition 2(a) (*Closing valuations*) of the Security Index Conditions shall be deleted and replaced by the following:

"Valuation Time means, in respect of an Underlying Closing Level and a Scheduled Trading Day, (A) for the purposes of determining whether a Market Disruption Event has occurred in respect of any relevant Component Security, the time at which such Component Security is valued for the purposes of determining the level of such Bond Index for the

UNDERLYING SCHEDULE 1 - SECURITY INDEX CONDITIONS

relevant day; and (B) in all other circumstances, the time at which the level of such Bond Index for such day is calculated and published by the relevant Index Sponsor."

(ii) Market Disruption Event

In relation to a Bond Index, the definition of "Market Disruption Event" set out in Condition 3(b) (*Multiple Exchange Index*) of the Security Index Conditions shall be amended by the insertion of the word "or" at the end of sub paragraph (viii) and the insertion of the following paragraphs as sub-paragraphs (ix) to (xii) after sub-paragraph (viii) thereof:

- "(ix) a general moratorium is declared in respect of banking activities in the country in which the Exchange in respect of a Component Security is located (which the Calculation Agent determines is material); or
 - (x) the difference between the bid and offer prices of any Component Security increases compared to that prevailing as at the Issue Date at any time (which the Calculation Agent determines is material); or
 - (xi) the calculation of such Bond Index is impractical or impossible at any time save in circumstances in which the relevant Index Sponsor fails to calculate and publish such Bond Index as described in Condition 6(b) (*Modification or cancellation of a Security Index and Security Index Substitution*) of the Security Index Conditions; or
 - (xii) a reduction in liquidity in any Component Security and/or any other event or circumstance that is beyond the reasonable control of the Issuer that prevents or limits transactions in the Component Security (which the Calculation Agent determines is material)."
- (A) In relation to a Bond Index, Condition 6 (*Additional Provisions*) of the Security Index Conditions shall be amended as follows:
- (1) the first paragraph of Condition 6(b) (*Modification or cancellation of a Security Index and Security Index Substitution*) of the Security Index Conditions shall be amended by the deletion of the words "(other than a modification prescribed in that formula or method to maintain such Security Index in the event of changes in Component Securities and capitalisation and other routine events)" in the third, fourth and fifth lines thereof and the substitution of the words "(other than a modification prescribed in the conditions or methodology of the relevant Bond Index to maintain the relevant Bond Index in the event of changes in Component Securities and other routine events)" therefore; and
 - (2) Condition 6(d) (*Calculation Agent's discretion to determine non-material events*) of the Security Index Conditions shall not apply to the Bond Index.
- (B) In relation to a Bond Index, there shall be no definition of "Related Exchange" and the Conditions shall be construed accordingly.

UNDERLYING SCHEDULE 2

INFLATION INDEX CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as an "Inflation Index".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Inflation Indices.

1. DEFINITIONS

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Cut-off Date means, in respect of a Payment Date, the day which is five Business Days prior to such Payment Date.

Fallback Bond means, in respect of an Inflation Index, if "Fallback Bond" is specified as applicable in the applicable Pricing Supplement, (a) the bond specified as such in the applicable Pricing Supplement; or (b) if no such bond is specified, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation such Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (i) the same day as the Maturity Date; (ii) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date; or (iii) the next shortest maturity before the Maturity Date if no bond described in (i) or (ii) above is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union (EMU), then the Calculation Agent will select an inflation-linked bond which is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the EMU. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, then the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond in respect of an Inflation Index redeems, then the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

Index Sponsor means, in respect of an Inflation Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculation and adjustments, if any, related to such Inflation Index; and (b) announces (directly or through an agent) the level of such Inflation Index.

Inflation Index means each Underlying classified as such in the applicable Pricing Supplement or any Successor Index.

Manifest Error Cut-off Date means, in respect of a Payment Date, two Business Days prior to such Payment Date, unless otherwise specified in the applicable Pricing Supplement.

Payment Date means, in respect of a Valuation Date, the Interest Payment Date, the Maturity Date or other date to which such Valuation Date relates.

Reference Month means, in respect of an Inflation Index and a Valuation Date, each month specified as such for such Valuation Date in the applicable Pricing Supplement.

UNDERLYING SCHEDULE 2 - INFLATION INDEX CONDITIONS

Revision Cut-off Date means, in respect of a Payment Date, two Business Days prior to such Payment Date, unless otherwise specified in the applicable Pricing Supplement.

2. VALUATION

Underlying Closing Level means, in respect of an Inflation Index, a Valuation Date and a related Reference Month, the level of such Inflation Index in respect of such Reference Month, as displayed on the applicable Electronic Page.

Valuation Time and Underlying Level shall not apply to an Inflation Index.

3. DISRUPTION TO VALUATION

(a) *Determination of the Underlying Closing Level of an Inflation Index on a Valuation Date*

Any Specified Valuation Date shall not be adjusted in relation to an Inflation Index and the Substitute Index Level provisions set out below shall apply thereto. The provisions of Condition 7(c) (*Adjustments to Valuation Dates (Scheduled Trading Days)*) and Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall only apply in relation to Underlying(s) which are not Inflation Indices (if any).

(b) *Substitute Index Level*

If an Underlying Closing Level for a Reference Month has not been published or announced by the Cut-off Date for the relevant Payment Date, then the Calculation Agent shall, subject to any provisions specified in the applicable Pricing Supplement, determine a substitute index level (the **Substitute Index Level**) by using the following methodology:

- (i) if Fallback Bond is specified as applicable in the applicable Pricing Supplement, the Calculation Agent will take the same action to determine the Substitute Index Level for the affected Reference Month as that taken by the relevant calculation agent pursuant to the terms and conditions of any relevant Fallback Bond; and
- (ii) if there is no Fallback Bond or sub-paragraph (i) does not result in a Substitute Index Level for the relevant Reference Month for any reason, then the Calculation Agent will determine the Substitute Index Level in accordance with the formula set out below:

$$\text{Substitute Index Level} = \text{Base Level} * (\text{Latest Level} / \text{Reference Level})$$

Where:

Base Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimate) published or announced by the relevant Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month for which the Substitute Index Level is being determined;

Latest Level means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimate) published or announced by the relevant Index Sponsor prior to the Reference Month in respect of which the Substitute Index Level is being determined;

Reference Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimate) published or announced by the relevant Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month referred to in the definition for "Latest Level" above; and

- (iii) if the Underlying Closing Level of an Inflation Index for a Reference Month is published or announced at any time after the Cut-off Date for the relevant Payment Date, then such Underlying Closing Level will not be used in any calculation. The Substitute Index Level determined pursuant to this Condition 3 (*Disruption to Valuation*) of the Inflation Index Conditions will be the Underlying Closing Level in respect of the relevant Reference Month.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of an Inflation Index:

- (i) the relevant Index Sponsor imposes on the Issuer, any Counterparty and/or any of their Affiliates increased or unexpected fees and costs for the use of such Inflation Index, which the Calculation Agent determines are material; and
- (ii) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Events shall apply in respect of an Inflation Index:

- (i) the Calculation Agent determines that no Successor Index can be determined under Condition 6(d) (*Substitution of an Inflation Index*) of the Inflation Index Conditions; and
- (ii) the Calculation Agent determines that no adjustment can reasonably be made under Condition 6(e) (*Modification of an Inflation Index*) of the Inflation Index Conditions.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

The provisions of Condition 7(k) (*Correction of published or announced prices or levels*) of the General Conditions shall not apply in respect of an Inflation Index.

- (b) *Revision of the level of an Inflation Index*

The operation of this Condition 6(b) (*Revision of the level of an Inflation Index*) of the Inflation Index Conditions is subject as provided in Condition 6(c) (*Correction of a manifest error in the level of an Inflation Index*) of the Inflation Index Conditions below.

If "Revision" is specified as applicable for an Inflation Index in the applicable Pricing Supplement, then the first publication and announcement of an Underlying Closing Level of such Inflation Index, or any revision to such Underlying Closing Level made no later than the relevant Revision Cut-off Date, shall be final and conclusive.

If "No Revision" is specified as applicable for an Inflation Index in the applicable Pricing Supplement, then the first publication and announcement of an Underlying Closing Level of such Inflation Index shall be final and conclusive, and any later revision to such Underlying Closing Level will not be used in any calculation.

If neither "Revision" nor "No Revision" is elected in the applicable Pricing Supplement, then "No Revision" shall be deemed to apply.

UNDERLYING SCHEDULE 2 - INFLATION INDEX CONDITIONS

(c) *Correction of a manifest error in the level of an Inflation Index*

If the Calculation Agent determines that the Index Sponsor of an Inflation Index has corrected an Underlying Closing Level for such Inflation Index to correct a manifest error no later than the earlier to occur of (i) the relevant Manifest Error Cut-off Date; and (ii) 30 calendar days following the first publication and announcement of such Underlying Closing Level, then the Calculation Agent may use such corrected Underlying Closing Level for the purposes of any calculation in respect of any relevant Valuation Date. Any correction to an Underlying Closing Level of such Inflation Index published after the relevant Manifest Error Cut-off Date will not be used in any calculation in respect of any relevant Valuation Date. In the event of any inconsistency (as determined by the Calculation Agent) between this Condition 6(c) (*Correction of a manifest error in the level of an Inflation Index*) of the Inflation Index Conditions and Condition 6(b) (*Revision of the level of an Inflation Index*) of the Inflation Index Conditions, the operation of this Condition 6(c) (*Correction of a manifest error in the level of an Inflation Index*) shall prevail.

(d) *Substitution of an Inflation Index*

If the Calculation Agent determines that either (i) a level for an Inflation Index has not been published or announced for two consecutive months; and/or (ii) the Index Sponsor announces that it will no longer continue to publish or announce such Inflation Index; and/or (iii) the Index Sponsor cancels such Inflation Index, then the Calculation Agent may replace such Inflation Index with a successor index (a **Successor Index**) by using the following methodology:

- (i) if at any time a successor index has been designated in respect of an Inflation Index by the calculation agent under any relevant Fallback Bond pursuant to the terms and conditions of such Fallback Bond, then such successor index may be designated a "Successor Index" for such Inflation Index for the purposes of all subsequent Valuation Dates, notwithstanding that any other Successor Index may previously have been determined under sub-paragraphs (ii) or (iii);
- (ii) if a Successor Index has not been determined under sub-paragraph (i) and a notice has been given or an announcement has been made by the relevant Index Sponsor, specifying that such Inflation Index will be superseded by a replacement inflation index specified by the relevant Index Sponsor, and the Calculation Agent determines that such replacement inflation index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be such Inflation Index for purposes of the Notes from the date that such replacement Inflation Index comes into effect;
- (iii) if no Successor Index has been determined under sub-paragraph (i) or (ii) by the fifth Business Day prior to the Cut-off Date in respect of the next following Payment Date, then the Calculation Agent will determine an appropriate alternative index and such index will be deemed a "Successor Index".

If a Successor Index is determined in accordance with the above, the Calculation Agent may make such adjustment(s) to the terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for such replacement and determine the effective date(s) of the adjustment(s) to the Notes.

If no Successor Index can be determined pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Inflation Index Conditions shall apply.

(e) *Modification of an Inflation Index*

If, on or prior to any Cut-off Date in respect of a Payment Date, an Index Sponsor announces that it will make a material change to an Inflation Index, then the Calculation Agent shall make such adjustments to the Terms and Conditions and/or the applicable Pricing Supplement (i) (if a Fallback Bond is specified for the relevant Inflation Index) as are consistent with any adjustment made to the relevant Fallback Bond; or (ii) (if no Fallback Bond is specified for the relevant Inflation Index) as are necessary for such modified Inflation Index to continue as an Inflation Index.

If no such adjustment can reasonably be made pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Inflation Index Conditions shall apply.

(f) *Rebasing of the Inflation Index*

If the Calculation Agent determines that an Inflation Index has been or will be rebased at any time, then the Inflation Index as so rebased (the **Rebased Index**) will be used for the purposes of determining any Underlying Closing Level of such Inflation Index from the date of such rebasing.

If a Fallback Bond is specified for the relevant Inflation Index, then the Calculation Agent shall make such adjustments to the levels of such Rebased Index as are made by the calculation agent pursuant to the terms and conditions of the relevant Fallback Bond, so that the levels of such Rebased Index reflect the same rate of inflation as the relevant Inflation Index before it was rebased.

If no Fallback Bond is specified for the relevant Inflation Index, then the Calculation Agent shall make such adjustments to the levels of such Rebased Index, so that the levels of such Rebased Index reflect the same rate of inflation as the relevant Inflation Index before it was rebased.

In each case, the Calculation Agent may make such adjustment(s) to the terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for such rebasing and determine the effective date(s) of the adjustment(s) to the Notes.

Any such rebasing shall not affect any prior payments made under the Notes.

UNDERLYING SCHEDULE 3

COMMODITY INDEX CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Commodity Index".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Commodity Indices.

1. DEFINITIONS

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Commodity Index means each Underlying classified as such in the applicable Pricing Supplement.

Component means, in respect of a Commodity Index, each component included in such Commodity Index.

Component Trading Day means, in respect of a Component, a day on which the Exchange for such Component is scheduled to be open for trading for its regular trading session, notwithstanding such Exchange closing prior to the Scheduled Closing Time for such Component.

Exchange means, in respect of a Commodity Index, each exchange, quotation system, over-the-counter market or principal trading market on which each relevant Component is (as determined by the Calculation Agent) principally traded and, in respect of a Component of a Commodity Index, the exchange, quotation system, over the counter market or principal trading market on which such Component is (as determined by the Calculation Agent) principally traded.

Exchange Business Day means, in respect of a Commodity Index, any Scheduled Trading Day for such Commodity Index on which the relevant Index Sponsor publishes the level of such Commodity Index.

Index Sponsor means, in respect of a Commodity Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Commodity Index; and (b) announces (directly or through an agent) the level of such Commodity Index on a regular basis.

Related Exchange means, in respect of a Commodity Index and options contracts and futures contracts on such Commodity Index, any exchange on which such options contracts or futures contracts on such Commodity Index are traded.

Scheduled Closing Time means (i) in respect of a Scheduled Trading Day and an Exchange or a Related Exchange, the scheduled weekday closing time on such Exchange or Related Exchange on such Scheduled Trading Day, without regard to afterhours trading or any other trading outside the hours of the regular trading session on such Exchange and (ii) in respect of a Component Trading Day, a Component and the Exchange for such Component, the scheduled weekday closing time on such Exchange on such Component Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Exchange.

Scheduled Trading Day means, in respect of a Commodity Index, any day on which the relevant Index Sponsor is scheduled to publish the level of such Commodity Index and, where Commodity Component Valuation is specified as applicable in the applicable Pricing Supplement, any day on

which the Exchange for each Component of such Commodity Index is scheduled to be open for trading for its regular trading session, notwithstanding any such Exchange closing prior to the Scheduled Closing Time for the relevant Component.

Successor Index shall have the meaning given to it in Condition 4 (*Additional Adjustment Events*) of the Commodity Index Conditions.

Tax Disruption means, in respect of a Commodity Index, the imposition of, change in or removal of a Relevant Tax by any relevant government or taxing authority after the Trade Date, if the direct effect of such imposition, change or removal is to increase or decrease the level of the Commodity Index on a day which would otherwise be a Valuation Date from what it would have been without such imposition, change or removal. For these purposes, **Relevant Tax** means, in respect of a Component or commodity relating to such Component, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or other similar tax on, or measured by reference to, such Component or commodity (other than a tax on, or measured by reference to, overall gross or net income).

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Commodity Index and a Valuation Date, the official closing level of such Commodity Index on such Valuation Date or, where the level of such Commodity Index either (a) where Same Day Publication is specified as applicable in the applicable Pricing Supplement, on such Valuation Date (and in which circumstances, where the level of such Commodity Index is published on a succeeding Scheduled Trading Day, the level for that Valuation Date will have been the level calculated for the Commodity Index for or in respect of a preceding Scheduled Trading Day) or (b) where Same Day Publication is not specified as applicable in the applicable Pricing Supplement, for such Valuation Date (and in which circumstances the level for that Valuation Date may be published on a succeeding Scheduled Trading Day), on the applicable Electronic Page.

Valuation Time means, in respect of a Commodity Index, an Underlying Closing Level and a Scheduled Trading Day, (i) for the purposes of determining whether a Disrupted Day has occurred: (I) in respect of any relevant Component, the time at which such Component is valued for the purposes of determining the relevant level of such Commodity Index, and (II) in respect of any options contracts or future contracts on the Commodity Index, the close of trading on the relevant Related Exchange; and (ii) in all other circumstances, either (A) where the level of such Commodity Index is only published once a day, the time at which the level of such Commodity Index for such day is calculated and published by the relevant Index Sponsor or (B) otherwise, the time at which the official closing level of the Commodity Index is calculated and published by the relevant Index Sponsor.

(b) *Intraday valuations*

Underlying Level means, in respect of a Commodity Index and a Valuation Date, the level of such Commodity Index observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Commodity Index, an Underlying Level and a Scheduled Trading Day, the time at which the level of such Commodity Index is being determined during such Scheduled Trading Day.

3. DISRUPTION TO VALUATION

Disrupted Day means:

- (a) where Commodity Component Valuation is not specified as applicable in the applicable Pricing Supplement in respect of a Commodity Index, any Scheduled Trading Day on which any of the events set out below occurs:
 - (i) the relevant Index Sponsor fails to publish the level of such Commodity Index;
 - (ii) a temporary or permanent failure by the relevant Exchange to announce or publish a relevant price for any relevant Component of such Commodity Index;
 - (iii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Exchange of relevant Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index; or
 - (iv) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any Related Exchange of futures contracts or option contracts relating to such Commodity Index; or
 - (v) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Exchange) to effect transactions in or to obtain market values for relevant Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index; or
 - (vi) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vii) or sub-paragraph (viii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Commodity Index; or
 - (vii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any relevant Exchange in respect of relevant Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the actual closing time for the regular trading session on such Exchange on such Exchange Business Day); or
 - (viii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any Related Exchange in respect of futures contracts or option contracts relating to such Commodity Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least

UNDERLYING SCHEDULE 3 - COMMODITY INDEX CONDITIONS

one hour prior to the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day); or

- (b) where Commodity Component Valuation is specified as applicable in the applicable Pricing Supplement:
 - (A) in respect of a Commodity Index, any Scheduled Trading Day on which any of the events set out below occurs:
 - (x) the relevant Index Sponsor fails to publish the level of such Commodity Index;
 - (y) such day is a Disrupted Day in respect of a Component of such Commodity Index as specified in sub-paragraphs (B)(x), (y) or (z) below.
 - (B) in respect of a Component, any Component Trading Day on which any of the events set out below occurs:
 - (x) the failure of a relevant Exchange to announce or publish the settlement price for such Component (or other relevant price, or prices from which such price is calculated);
 - (y) the suspension of or limitation on trading in such Component on the relevant Exchange which the Calculation Agent determines is material; and
 - (z) the closing or settlement price for such Component is a "limit price" which means that such closing or settlement price for such Component for the relevant day has increased or decreased from the previous day's closing or settlement price by the maximum amount permitted under applicable exchange rules.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Commodity Index:

- (a) such Commodity Index is either (i) not calculated and announced by or on behalf of the relevant Index Sponsor but instead is calculated and announced by or on behalf of a successor to such relevant Index Sponsor acceptable to the Calculation Agent; or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Index (such index, the **Successor Index**, which will be deemed to be such Commodity Index);
- (b) the relevant Index Sponsor imposes on the Issuer, any Counterparty and/or any of their Affiliates increased or unexpected fees and costs for the use of such Commodity Index, which the Calculation Agent determines are material; or
- (c) if "Tax Disruption" is specified as applicable in the applicable Pricing Supplement, the Calculation Agent determines in good faith that (i) a Tax Disruption has occurred or exists; and (ii) such Tax Disruption is material; or
- (d) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

UNDERLYING SCHEDULE 3 - COMMODITY INDEX CONDITIONS

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Commodity Index: the Calculation Agent determines that no calculation or substitution can reasonably be made under Condition 6(b) (*Modification or cancellation of a Commodity Index and Commodity Index Substitution*) of the Commodity Index Conditions.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Commodity Index, 30 calendar days.

- (b) *Modification or cancellation of a Commodity Index and Commodity Index Substitution*

- (A) Commodity Index Adjustment Events

If, in respect of a Commodity Index, (i) on or prior to any Valuation Date, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the level of such Commodity Index or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain such Commodity Index in the event of changes in relevant Components and other routine events) (a **Commodity Index Modification**); or (ii) on or prior to any Valuation Date, the relevant Index Sponsor at any time permanently cancels such Commodity Index and no Successor Index (as defined in Condition 4 (*Additional Adjustment Events*) of the Commodity Index Conditions) exists (a **Commodity Index Cancellation**); or (iii) on or prior to any Valuation Date the relevant Index Sponsor or any person or entity on its behalf fails to calculate and announce such Commodity Index (a **Commodity Index Disruption**, and together with a Commodity Index Modification and a Commodity Index Cancellation, a **Commodity Index Adjustment Event**), then the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Notes, and if so, either:

- (i) calculate the relevant level of such Commodity Index at the relevant time on such Valuation Date using, in lieu of a published level for such Commodity Index, the level of such Commodity Index at the relevant time on such Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating the level of such Commodity Index last in effect prior to the occurrence of such Commodity Index Adjustment Event but using only those Components or other assets or instruments which comprised such Commodity Index immediately prior to the occurrence of such Commodity Index Adjustment Event (other than those Components which have since ceased to be listed on any relevant Exchange); and/or
- (ii) the Calculation Agent shall substitute such Commodity Index as provided in Condition 6(b)(B) (*Commodity Index Substitution*) of the Commodity Index Conditions and make such adjustments (if any) to the Terms and Conditions and/or the applicable Pricing Supplement as it deems necessary or appropriate in relation to such substitution; and/or
- (iii) make such adjustments to the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for the effect of such Commodity Index Adjustment Event and determine the effective date of each such adjustment.

UNDERLYING SCHEDULE 3 - COMMODITY INDEX CONDITIONS

If no calculation, substitution and/or adjustment can reasonably be made pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Commodity Index Conditions shall apply.

(B) Commodity Index Substitution

Any adjustment made by the Calculation Agent pursuant to Condition 6(b)(A)(ii) (*Commodity Index Adjustment Events*) of the Commodity Index Conditions shall be, and any adjustment made by the Calculation Agent in response to an Adjustment Event may include, a Commodity Index Substitution.

Commodity Index Substitution means, in relation to a Commodity Index Adjustment Event or an Adjustment Event, the replacement of the Commodity Index the subject of such Commodity Index Adjustment Event or Adjustment Event, as the case may be, with a new commodity index selected by the Calculation Agent (which shall be a replacement commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such Commodity Index or a replacement commodity index selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement). Such new commodity index shall be deemed to be a Commodity Index in place of the Commodity Index the subject of the Commodity Index Adjustment Event or Adjustment Event, as the case may be.

(c) *Determination of the Underlying Closing Level of a Commodity Index on a Disrupted Day*

- (a) Where Commodity Component Valuation is not specified as applicable in the applicable Pricing Supplement, if an Underlying Closing Level of a Commodity Index is determined on a Scheduled Trading Day which is a Disrupted Day for such Commodity Index in accordance with Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions, then the Calculation Agent shall determine such Underlying Closing Level of such Commodity Index at the Valuation Time on such Scheduled Trading Day in accordance with the formula for and method of calculating the level of such Commodity Index last in effect prior to the occurrence of the first Disrupted Day in respect of such Commodity Index, using either (i) the price traded or quoted on the relevant Exchange as of the relevant Valuation Time on such Scheduled Trading Day of each relevant Component; or (ii) (if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component on that Scheduled Trading Day) its good faith estimate of the value of the relevant Component as of the relevant Valuation Time on such Scheduled Trading Day.
- (b) Where Commodity Component Valuation is specified as applicable in the applicable Pricing Supplement, if a Specified Valuation Date for a Commodity Index is a Disrupted Day for such Commodity Index, then, in order to determine the Underlying Closing Level of the relevant Commodity Index for such Valuation Date, the Calculation Agent shall determine the relevant Underlying Closing Level for such Valuation Date using the then-current method for calculating the level of such Commodity Index based on:
 - (x) with respect to each Component which is not affected by the occurrence of a Disrupted Day, the closing or settlement price of each such Component on such Specified Valuation Date; and
 - (y) with respect to each Component which is affected by the occurrence of a Disrupted Day, the closing or settlement price of each such Component on the earlier of: (1) the first succeeding day immediately following such Specified Valuation Date which is a Component Trading Day for the relevant Component and which is not a

UNDERLYING SCHEDULE 3 - COMMODITY INDEX CONDITIONS

Disrupted Day for such Component; and (2) the Scheduled Trading Day which is the Valuation Roll number of Scheduled Trading Days for the relevant Commodity Index immediately following such Specified Valuation Date.

If, by operation of the above provision, the date for valuation of the relevant Component would fall on a day which is a Disrupted Day for such Component, the Calculation Agent shall determine the closing or settlement price of the relevant Component for the relevant Valuation Date using its good faith estimate of the closing or settlement price of such Component for such day.

If, by operation of the above provision, the date for valuation of the relevant Component would otherwise fall on a day falling after the second Scheduled Trading Day for the relevant Commodity Index prior to the date on which a relevant payment is scheduled to be made under the Notes (the **Commodity Index Cut-off Date**), such date of valuation shall be deemed to be the Commodity Index Cut-off Date (notwithstanding that such date either (A) is not a Component Trading Day for such Component; or (B) is a Disrupted Day for such Component; or (C) is a Disrupted Day for the relevant Commodity Index), and the Calculation Agent shall determine the closing or settlement price of the relevant Component for the relevant Valuation Date using its good faith estimate of the closing or settlement price of such Component for such day.

Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) and Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall not apply to a Specified Valuation Date relating to a Commodity Index except that, if a Disrupted Day occurs in respect of an Underlying other than a Commodity Index and "Move in Block" is specified for "Valuation Disruption (Disrupted Days)" in respect of the relevant Valuation Date in the applicable Pricing Supplement, the provisions of Condition 7(d)(ii) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall apply thereto PROVIDED THAT if by operation of such provision the relevant Valuation Date would thereby fall after the relevant Commodity Index Cut-off Date, the provisions set out in the preceding paragraph shall apply.

In all other cases, the provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) and Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall only apply in relation to Underlying(s) which are not Commodity Indices (if any).

UNDERLYING SCHEDULE 4

COMMODITY CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Commodity".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Commodities.

1. DEFINITIONS

Abandonment of Scheme means that, at any time before to the Maturity Date, the Scheme is, as a result of official written public pronouncement by the European Community, no longer scheduled to proceed or is to be discontinued.

For which purpose:

Allowance Directive means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended by Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004, and as amended from time to time.

Registry Regulation means the EU Commission Regulation adopted, or to be adopted, in order to establish a standardised and secured system of registries pursuant to Article 19(3) of Directive 2003/87/EC and Article 6(1) of Decision 280/2004/EC, as amended from time to time.

Scheme means the scheme for transferring allowances (as defined in the Allowance Directive) established pursuant to the Allowance Directive and the Registry Regulation, and as implemented by the national laws of the member states from time to time.

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Bullion Commodity means a Commodity which is any of gold, palladium, platinum or silver.

Calculation Agent Determination means that the Calculation Agent shall determine the Underlying Closing Level or the Underlying Level (as relevant) of the relevant Commodity (or the method for determining the Relevant Price of such Commodity) for the relevant Valuation Date, taking into consideration the latest available quotation for the relevant Commodity Price and any other information it deems relevant.

Cancellation means an Additional Early Redemption Event shall be deemed to have occurred as set out in Condition 5 (*Additional Early Redemption Events*) of the Commodity Conditions and the Notes will be redeemed in accordance with Condition 8 (*Redemption*) of the General Conditions.

Commodity means each Underlying classified as such in the applicable Pricing Supplement.

Commodity Dealers means the four dealers specified in the applicable Pricing Supplement or, if four dealers are not so specified, four leading dealers in the relevant market selected by the Calculation Agent.

UNDERLYING SCHEDULE 4 - COMMODITY CONDITIONS

Commodity Price means, in respect of a Commodity, the price or other unit of quotation for such Commodity specified in the applicable Pricing Supplement.

Delayed Publication and Announcement means, in respect of a Commodity and a Valuation Date, that the Calculation Agent shall determine the Underlying Closing Level or the Underlying Level (as relevant) of such Commodity for such Valuation Date, using the Relevant Price for such Valuation Date that is published or announced by the relevant Price Source retrospectively on any succeeding Scheduled Trading Day. The next Disruption Fallback shall apply if the Disruption Event continues to exist or the Relevant Price for such Valuation Date continues to be unavailable for consecutive Scheduled Trading Days equal in number to the Valuation Roll (measured from and including the original day for which the Underlying Closing Level or the Underlying Level (as relevant) was sought), subject as provided in Condition 6(b) (*Determination of the Underlying Closing Level of a Commodity on a Disrupted Day*) of the Commodity Conditions.

Delivery Date means, in respect of a Commodity and the relevant Commodity Price, the relevant date or month for delivery of such Commodity: (a) if a date is, or a month and year are, specified in the applicable Pricing Supplement, that date or that month and year; (b) if a Nearby Month is specified in the applicable Pricing Supplement, the month of the expiration of the relevant Futures Contract; and (c) if a method is specified in the applicable Pricing Supplement for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to such method.

Disappearance of Commodity Price means, in respect of a Commodity, (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (b) the disappearance of, or of trading in, such Commodity; (c) the disappearance or permanent discontinuation or unavailability of the relevant Commodity Price, notwithstanding the availability of the relevant Price Source or the status of trading in the relevant Futures Contract or the relevant Commodity.

Disrupted Day shall have the meaning given to it in Condition 3(a) (*Disrupted Day*) of the Commodity Conditions.

Disruption Event means each of a Disappearance of Commodity Price, a Material Change in Content, a Material Change in Formula, a Price Source Disruption, a Tax Disruption, and a Trading Disruption which are specified as applicable in the applicable Pricing Supplement or which are deemed to apply as set out in Condition 3(a) (*Disrupted Day*) of the Commodity Conditions.

Disruption Fallback means each of Calculation Agent Determination, Cancellation, Delayed Publication and Announcement, Fallback Commodity Dealers, Fallback Commodity Price, Postponement which are specified as applicable in the applicable Pricing Supplement or which are deemed to apply as set out in Condition 3(b) (*Disruption Fallback*) of the Commodity Conditions.

Exchange means, in respect of a Commodity, the exchange or principal trading market specified for such Commodity in the applicable Pricing Supplement or any successor to such exchange or principal trading market.

Fallback Commodity Dealers means, in respect of a Commodity and a Valuation Date, that the Calculation Agent shall determine the Underlying Closing Level or the Underlying Level (as relevant) of such Commodity for such Valuation Date on the basis of quotations for the Commodity Price of such Commodity provided by Commodity Dealers on such date for delivery on the relevant Delivery Date (if applicable). If four quotations are provided as requested, then the Underlying Closing Level or the Underlying Level (as relevant) of such Commodity for such Valuation Date will be the arithmetic mean of the prices provided by each Commodity Dealer, without regard to the highest price and the lowest price. If exactly three quotations are provided as requested, then the Underlying Closing Level or the Underlying Level (as relevant) of such Commodity for such

Valuation Date will be the price which remains after disregarding the highest price and the lowest price. For this purpose, if more than one quotation have the same value, then one such quotation will be disregarded. If fewer than three quotations are provided, it will be deemed that the Underlying Closing Level or the Underlying Level (as relevant) of the relevant Commodity for such Valuation Date cannot be determined and the next Disruption Fallback shall apply, subject as provided in Condition 6(b) (*Determination of the Underlying Closing Level of a Commodity on a Disrupted Day*) of the Commodity Conditions.

Fallback Commodity Price means, in respect of a Commodity and a Valuation Date, that the Calculation Agent shall determine the Underlying Closing Level or the Underlying Level (as relevant) of the relevant Commodity for such Valuation Date using the Commodity Price specified in the applicable Pricing Supplement as an alternative Commodity Price.

Futures Contract means, in respect of a Commodity and the relevant Commodity Price, the contract for future delivery of a contract size in respect of the Delivery Date relating to such Commodity specified in such Commodity Price. Where "Futures Contract" is preceded by a numerical adjective, such Futures Contract shall be the Futures Contract expiring in the Nearby Month having the same numerical adjective, so that for example (a) "First Futures Contract" means the Futures Contract expiring in the First Nearby Month; and (b) "Second Futures Contract" means the Futures Contract expiring in the Second Nearby Month.

Material Change in Content means, in respect of a Commodity, the occurrence since the Trade Date of a material change in the content, composition or constitution of such Commodity or the relevant Futures Contract.

Material Change in Formula means, in respect of a Commodity, the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Price.

Nearby Month means, in respect of a Delivery Date and a Valuation Date, when preceded by a numerical adjective, the month of expiration of a Futures Contract identified by means of such numerical adjective, so that for example (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following such Valuation Date; and (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following such Valuation Date.

Non-bullion Commodity means a Commodity other than a Bullion Commodity.

Postponement means, in respect of a Valuation Date and any Commodity to be valued on such Valuation Date, that such Valuation Date shall be adjusted in accordance with the provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions, subject as provided in Condition 6(b) (*Determination of the Underlying Closing Level of a Commodity on a Disrupted Day*) of the Commodity Conditions.

Price Source means, in respect of a Commodity, the publication or other source (including an Exchange) containing or reporting the Relevant Price for such Commodity (or other data from which such Relevant Price is calculated) specified in the applicable Pricing Supplement in respect of such Commodity or any successor which shall, unless otherwise specified in the applicable Pricing Supplement, be the Electronic Page.

Price Source Disruption means, in respect of a Commodity, (a) the failure of the relevant Price Source to announce or publish the Relevant Price for such Commodity (or other data from which such Relevant Price is calculated); (b) the temporary or permanent discontinuation or unavailability

UNDERLYING SCHEDULE 4 - COMMODITY CONDITIONS

of the relevant Price Source; or (c) if a Relevant Price is "Fallback Commodity Dealers", the failure to obtain at least three quotations as requested from the relevant Commodity Dealers.

Relevant Price means, in respect of a Commodity and a Valuation Date, the price published or announced by or on behalf of the relevant Price Source in respect of such Valuation Date for the relevant Commodity Price or; if so specified in the applicable Pricing Supplement, determined in accordance with "Fallback Commodity Dealers".

Scheduled Trading Day means (a) in respect of a Non-bullion Commodity, either (i) if the Commodity Price for such Commodity is a price published or announced by an Exchange, any day on which such Exchange is scheduled to be open for trading for its regular trading session, notwithstanding such Exchange closing prior to its scheduled closing time; or (ii) if the Commodity Price for such Commodity is not a price published or announced by an Exchange, any day in respect of which the relevant Price Source is scheduled to announce or publish a price; and (b) in respect of a Bullion Commodity, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York City (or as otherwise specified in the applicable Pricing Supplement).

Tax Disruption means, in respect of a Commodity, the imposition of, change in or removal of a Relevant Tax by any relevant government or taxing authority after the Trade Date, if the direct effect of such imposition, change or removal is to increase or decrease the Relevant Price on a day which would otherwise be a Valuation Date from what it would have been without such imposition, change or removal. For these purposes, **Relevant Tax** means, in respect of a Commodity, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or other similar tax on, or measured by reference to, such Commodity (other than a tax on, or measured by reference to, overall gross or net income).

Trading Disruption means, in respect of a Commodity, the suspension of or limitation on (which the Calculation Agent determines is material) trading in (a) such Commodity or the relevant Futures Contract on the relevant Exchange; or (b) any additional futures contract or options contract specified for such Commodity in the applicable Pricing Supplement on any exchange, trading system or quotation system on which any such futures contract or options contract is traded. For these purposes, a suspension of trading in a Commodity or the relevant Futures Contract shall be deemed to be material only if: (a) all such trading is suspended for the entire relevant Valuation Date; or (b) all such trading is suspended subsequent to the opening of trading on the relevant Valuation Date and does not recommence prior to the scheduled close of trading on the relevant Valuation Date, and such suspension is announced less than one hour before the start of such suspension. For these purposes, a limitation on trading in a Commodity or the relevant Futures Contract on the relevant Valuation Date shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of such Commodity or Futures Contract may fluctuate and the closing or settlement price of such Commodity or Futures Contract on such day is at the upper limit or the lower limit of such range.

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Commodity and a Valuation Date, the Relevant Price of such Commodity for such Valuation Date, as displayed on or reported by the applicable Electronic Page.

(b) *Intraday valuations*

Underlying Level means, in respect of a Commodity and a Valuation Date, the Relevant Price of such Commodity observed continuously during the regular market hours on such Valuation Date, as displayed on or reported by the applicable Electronic Page.

(c) *Valuation Time*

Valuation Time shall not apply to a Commodity.

3. DISRUPTION TO VALUATION

(a) *Disrupted Day*

Disrupted Day means, in respect of a Commodity, any Scheduled Trading Day for such Commodity on which an applicable Disruption Event occurs.

If no Disruption Events are specified in the applicable Pricing Supplement, then the following Disruption Events will apply:

- (i) in respect of a Bullion Commodity, (A) Price Source Disruption; (B) Trading Disruption; and (C) Disappearance of Commodity Price; and
- (ii) in respect of a Non-bullion Commodity, (A) Price Source Disruption; (B) Trading Disruption; (C) Disappearance of Commodity Price; (D) Material Change in Formula; and (E) Material Change in Content.

(b) *Disruption Fallback*

If no Disruption Fallbacks are specified in the applicable Pricing Supplement, then, in order to determine the Underlying Closing Level for a Valuation Date, the following Disruption Fallbacks will apply in the following order:

first, (if an alternative Commodity Price is specified in the applicable Pricing Supplement) Fallback Commodity Price,

second, Delayed Publication and Announcement and Postponement (each to operate concurrently with the other) PROVIDED THAT the price determined by Postponement shall be the Relevant Price only if "Delayed Publication and Announcement" does not yield a Relevant Price within the Valuation Roll number of Scheduled Trading Days,

third, Calculation Agent Determination, and

fourth, Cancellation.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Event shall apply in respect of a Commodity: each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Commodity:

UNDERLYING SCHEDULE 4 - COMMODITY CONDITIONS

- (i) the occurrence or existence of a Disruption Event on a Valuation Date and the failure or deemed failure of the applicable Disruption Fallbacks to provide a Relevant Price; and
- (ii) each event (if any) specified as an Additional Early Redemption Event in the applicable Pricing Supplement.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Commodity, 30 calendar days.

- (b) *Determination of the Underlying Closing Level of a Commodity on a Disrupted Day*

If a day which would otherwise be a Valuation Date is a Disrupted Day for any Commodity, then, in order to determine the Underlying Closing Level for such Valuation Date, the Relevant Price of such Commodity for such Valuation Date shall be determined in accordance with the first applicable Disruption Fallback (applied in accordance with its terms) which provides the Relevant Price of such Commodity for such Valuation Date or, if no such Relevant Price can be so determined, Cancellation shall apply.

The provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall only apply in relation to a Commodity where Postponement is the applicable Disruption Fallback. Where the applicable Disruption Fallback is a Disruption Fallback other than Postponement, the relevant Specified Valuation Date shall not be adjusted in relation to a Commodity, the Disruption Fallback provisions set out below shall apply thereto and the provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall only apply in relation to Underlying(s) which are not Commodities (if any).

If an Underlying Closing Level of a Commodity is to be determined on a day which is a Disrupted Day or is not a Scheduled Trading Day for such Commodity in accordance with Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions, then the next applicable Disruption Fallback will apply.

UNDERLYING SCHEDULE 5

SHARE CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Share".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Shares.

1. DEFINITIONS

Additional Disruption Event means any of Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case, if specified in the applicable Pricing Supplement and/or any other event specified in the applicable Pricing Supplement.

Exchange means, in respect of a Share, each exchange or quotation system specified as such in respect of such Share in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in such Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system).

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

Extraordinary Dividend means, in respect of a Share, a dividend or a distribution or portion thereof which is determined by the Calculation Agent to be an extraordinary dividend relating to such Share.

Increased Cost of Stock Borrow means, in respect of a Share, that any Hedging Party would incur a rate to borrow such Share that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of a Share, the rate that any Hedging Party would have incurred to borrow such Share as of the Trade Date, as determined by the Calculation Agent.

Loss of Stock Borrow means, in respect of a Share, that any Hedging Party is unable, after using commercially reasonable efforts, to borrow (or to maintain a borrowing of) such Share at a rate equal to or less than the Maximum Stock Loan Rate.

Maximum Stock Loan Rate means, in respect of a Share, the lowest rate that any Hedging Party would have incurred, after using commercially reasonable efforts, to borrow such Share as of the Trade Date, as determined by the Calculation Agent.

Reference Index means, in respect of a Share which is the subject of a Share Substitution, an index selected by the Calculation Agent (a) in respect of which such Share is, or has been at some time during the immediately preceding six months, a component; and (b) in respect of which (in the opinion of the Calculation Agent) futures contracts are actively traded. If more than one index satisfies the criteria specified in (a) and (b) above, then the Calculation Agent shall determine which of such indices shall be the Reference Index. If no index satisfies the criteria specified in (a) and (b) above, then the Calculation Agent shall select the Reference Index by reference to such criteria it deems appropriate.

UNDERLYING SCHEDULE 5 - SHARE CONDITIONS

Related Exchange means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in futures contracts or options contracts relating to such Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such futures contracts or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system). Where "All Exchanges" is specified in the applicable Pricing Supplement as the applicable Related Exchange in respect of a Share, then **Related Exchange** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures contracts or options contracts relating to such Share.

Scheduled Closing Time means, in respect of a Share, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such Share, the scheduled weekday closing time on such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Exchange or Related Exchange.

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

Share means each Underlying classified as such in the applicable Pricing Supplement.

Share Company means, in respect of a Share, the issuer of such Share, as specified in the applicable Pricing Supplement.

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Share and a Valuation Date, the official closing price of such Share on such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Share, an Underlying Closing Level and a Scheduled Trading Day, the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time, the Valuation Time shall be such actual closing time.

In the case of a Share the relevant Exchange of which is in the Republic of Italy, such closing price shall be the "*Prezzo di Referimento*".

(b) *Intraday valuations*

Underlying Level means, in respect of a Share and a Valuation Date, the price of such Share observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Share, an Underlying Level and a Scheduled Trading Day for such Share, the time at which the price of such Share is being determined during such Scheduled Trading Day.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Share, any Scheduled Trading Day for such Share on which any of the events set out below occurs:

- (i) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
- (ii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Exchange; or
- (iii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Related Exchange of futures contracts or options contracts relating to such Share; or
- (iv) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vi) or sub-paragraph (vii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Exchange) to effect transactions in or to obtain market values for such Share; or
- (v) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vi) or sub-paragraph (vii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Share; or
- (vi) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any relevant Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Exchange system for execution at the relevant Valuation Time on such Exchange Business Day); or
- (vii) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any Related Exchange in respect of futures contracts or options contracts relating to such Share prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day).

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Share and the relevant Share Company (as relevant): a Corporate Action, a Delisting, an Insolvency, a Merger Event, a

UNDERLYING SCHEDULE 5 - SHARE CONDITIONS

Nationalisation, a Tender Offer and each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

(a) *Corporate Action*

Corporate Action means:

- (i) a subdivision, consolidation or reclassification of relevant Shares, unless resulting in a Merger Event; or
- (ii) a free distribution or dividend of relevant Shares to existing holders by way of bonus, capitalisation or similar issue; or
- (iii) a distribution, issue or dividend to existing holders of relevant Shares of (A) an additional amount of such Shares; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Share Company equally or proportionately with such payments to holders of such Shares; or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Share Company as a result of a spin-off or other similar transaction; or (D) any other type of securities, rights or warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price, as determined by the Calculation Agent; or
- (iv) an Extraordinary Dividend; or
- (v) a call by a Share Company in respect of relevant Shares which are not fully paid; or
- (vi) a repurchase by a Share Company or any of its subsidiaries of relevant Shares, whether out of profits or capital, and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vii) in respect of a Share Company, an event which results in any shareholder rights being diluted or becoming separated from shares of common stock or other shares of the capital stock of such Share Company, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers which provides (upon the occurrence of certain events) for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent (PROVIDED THAT any adjustment effected as a result of such an event may, in the discretion of the Calculation Agent, be readjusted upon any redemption of such rights); or
- (viii) any other event which may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) *Delisting*

Delisting means, in respect of relevant Shares, that the relevant Exchange announces that, pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or a Tender Offer) and are not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is located within the European Union, in any Member State of the European Union) or another exchange or quotation system (that is deemed acceptable by the Calculation Agent) located in another country (that is deemed acceptable by the Calculation Agent).

(c) *Insolvency*

Insolvency means, in respect of a Share Company, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of or any analogous proceeding affecting such Share Company, (A) all the Shares of such Share Company are required to be transferred to an Insolvency Officer; or (B) holders of Shares of such Share Company become legally prohibited from transferring such Shares; or (ii) an Insolvency Event occurs in respect of such Share Company.

Insolvency Officer means, an administrator, provisional liquidator, liquidator, conservator, receiver, trustee, custodian or other similar official.

Insolvency Event means, in respect of an entity, that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes, or has instituted against it by a Competent Official, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy law, insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding up or liquidation by it or by such Competent Official; or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained, in each case, within 15 days of the institution or presentation thereof; or (iv) seeks or becomes subject to the appointment of an Insolvency Officer for all or substantially all its assets; or (v) has a secured party take possession of all or substantially all its assets (and such secured party maintains possession for not less than 15 days thereafter); or (vi) 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 process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or (vii) such entity causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (iv) to (vi) above. For these purposes, **Competent Official** means, in respect of an entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over such entity in the jurisdiction of its incorporation or organisation or in the jurisdiction of its head office or home office.

(d) *Merger Event*

Merger Event means, in respect of any relevant Shares, any:

- (i) reclassification or change of such Shares which results in a transfer of or an irrevocable commitment to transfer all such Shares outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Company, which results in a transfer of or an irrevocable commitment to transfer all such Shares (other than those Shares owned or controlled by such other entity or person); or

UNDERLYING SCHEDULE 5 - SHARE CONDITIONS

- (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Company or its subsidiaries with or into another entity in which such Share Company is the continuing entity and which does not result in the reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than those Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event,

in each case if the Merger Date is on or before (A) in the case of Cash Settlement Notes, the last occurring Valuation Date in respect of the Notes or (B) in the case of Physical Settlement Notes, the Maturity Date. For these purposes, **Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

- (e) *Nationalisation*

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

- (f) *Tender Offer*

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

5. ADDITIONAL EARLY REDEMPTION EVENTS

No Additional Early Redemption Event shall apply in respect of a Share.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Share, two Business Days.

- (b) *Share Substitution*

Any adjustment made by the Calculation Agent in response to an Adjustment Event may include a Share Substitution.

Share Substitution means, in relation to an Adjustment Event, the replacement of a Share the subject of such Adjustment Event with a new share selected by the Calculation Agent (which shall be a share contained in the Reference Index or selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement). Such new share shall be deemed to be a Share in place of the Share the subject of the Adjustment Event.

- (c) *Determination of the Underlying Closing Level of a Share on a Disrupted Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall apply.

(d) *Calculation Agent's discretion to determine non-material events*

If the Calculation Agent determines that it is not material that any day which would otherwise have been a Valuation Date is:

- (i) not a Scheduled Trading Day because one or more relevant Related Exchanges is not scheduled to be open; or
- (ii) a Disrupted Day for a Share solely because any relevant Related Exchange fails to open,

then the Calculation Agent shall have the discretion to determine such day either (A) to be the relevant Valuation Date in respect of a Share, notwithstanding that such day is not a Scheduled Trading Day for such Share because one or more such Related Exchanges is not scheduled to be open; or (B) not to be a Disrupted Day where such day would be a Disrupted Day solely because any such Related Exchange fails to open.

In determining what is "material", the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (without limitation) the effect of the above on (I) any Underlying Closing Level or any Underlying Level (as relevant) of the affected Share; (II) any trading in futures contracts or options contracts on any such relevant Related Exchange; and (III) the Issuer's hedging arrangements in respect of the Notes.

UNDERLYING SCHEDULE 6
DEPOSITARY RECEIPT CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Depositary Receipt".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Depositary Receipts.

1. DEFINITIONS

(a) *Definitions applicable to the Depositary Receipts*

Additional Disruption Event means any of Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case, if specified in the applicable Pricing Supplement and/or any other event specified in the applicable Pricing Supplement.

Deposit Agreement means, in respect of a Depositary Receipt, the agreement(s) or other instrument(s) constituting such Depositary Receipt, as from time to time amended or supplemented in accordance with their terms.

Depositary means, in respect of a Depositary Receipt, the issuer of such Depositary Receipt.

Depositary Receipt means each Underlying classified as such in the applicable Pricing Supplement.

Depositary Receipt Exchange means in respect of a Depositary Receipt, each exchange or quotation system specified as such in respect of such Depositary Receipt in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in such Depositary Receipt has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such Depositary Receipt on such temporary substitute exchange or quotation system as on the original exchange or quotation system).

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

Depositary Receipt Related Exchange means in respect of a Depositary Receipt, each exchange or quotation system specified as such for such Depositary Receipt in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in futures contracts or options contracts relating to such Depositary Receipt has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such futures contracts or options contracts relating to such Depositary Receipt on such temporary substitute exchange or quotation system as on the original exchange or quotation system). Where "All Exchanges" is specified in the applicable Pricing Supplement as the applicable Depositary Receipt Related Exchange in respect of a Depositary Receipt, then **Depositary Receipt Related Exchange** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures contracts or options contracts relating to such Depositary Receipt.

UNDERLYING SCHEDULE 6 - DEPOSITARY RECEIPT CONDITIONS

Increased Cost of Stock Borrow means, in respect of a Depositary Receipt, that any Hedging Party would incur a rate to borrow such Depositary Receipt that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of a Depositary Receipt, the rate that any Hedging Party would have incurred to borrow such Depositary Receipt as of the Trade Date, as determined by the Calculation Agent.

Loss of Stock Borrow means, in respect of a Depositary Receipt, that any Hedging Party is unable, after using commercially reasonable efforts, to borrow (or to maintain a borrowing of) such Depositary Receipt at a rate equal to or less than the Maximum Stock Loan Rate.

Maximum Stock Loan Rate means, in respect of a Depositary Receipt, the lowest rate that any Hedging Party would have incurred, after using commercially reasonable efforts, to borrow such Depositary Receipt as of the Trade Date, as determined by the Calculation Agent.

- (b) *Definitions applicable to the relevant Underlying Shares in respect of which the Depositary Receipts are issued*

Underlying Share means, in respect of a Depositary Receipt, the underlying share(s) or other securities in respect of which such Depositary Receipt is issued.

Underlying Share Company means, in respect of an Underlying Share, the issuer of such Underlying Share, as specified in the applicable Pricing Supplement.

Underlying Share Exchange means in respect of an Underlying Share, each exchange or quotation system specified as such in respect of such Underlying Share in the applicable Pricing Supplement or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Underlying Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system).

Underlying Share Exchange Business Day means, in respect of an Underlying Share and where "Full Lookthrough" is specified as applicable in relation to the related Depositary Receipt in the applicable Pricing Supplement, any Scheduled Trading Day for such Depositary Receipt on which each Underlying Share Exchange and each Underlying Share Related Exchange for such Underlying Share, are open for trading during their respective regular trading sessions, notwithstanding any such Underlying Share Exchange or Underlying Share Related Exchange closing prior to its Scheduled Closing Time.

Underlying Share Related Exchange means in respect of an Underlying Share, each exchange or quotation system specified as such for such Underlying Share in the applicable Pricing Supplement or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures contracts or options contracts relating to such Underlying Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such futures contracts or options contracts relating to such Underlying Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system). Where "All Exchanges" is specified in the applicable Pricing Supplement as the applicable Underlying Share Related Exchange in respect of an Underlying Share, then **Underlying Share Related Exchange** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures contracts or options contracts relating to such Underlying Share.

UNDERLYING SCHEDULE 6 - DEPOSITARY RECEIPT CONDITIONS

- (c) *Definitions applicable to both the Depositary Receipts and the Underlying Shares in respect of which the Depositary Receipts are issued*

Extraordinary Dividend means, in respect of a Depositary Receipt or an Underlying Share, a dividend or a distribution or a portion thereof which is determined by the Calculation Agent to be an extraordinary dividend relating to such Depositary Receipt or Underlying Share (as relevant).

Scheduled Closing Time means:

- (i) in respect of a Depositary Receipt, a Scheduled Trading Day and a Depositary Receipt Exchange or a Depositary Receipt Related Exchange (as relevant) for such Depositary Receipt, the scheduled weekday closing time on such Depositary Receipt Exchange or Depositary Receipt Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Depositary Receipt Exchange or Depositary Receipt Related Exchange; and
- (ii) in respect of an Underlying Share, a Scheduled Trading Day and an Underlying Share Exchange or an Underlying Share Related Exchange (as relevant) for such Underlying Share, the scheduled weekday closing time on such Underlying Share Exchange or Underlying Share Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Underlying Share Exchange or Underlying Share Related Exchange.

Scheduled Trading Day means, in respect of a Depositary Receipt, any day on which each Depositary Receipt Exchange and each Depositary Receipt Related Exchange in respect of such Depositary Receipt and, where "Full Lookthrough" is specified as applicable in relation to such Depositary Receipt in the applicable Pricing Supplement, each Underlying Share Exchange and each Underlying Share Related Exchange in respect of the relevant Underlying Share is scheduled to be open for trading for its respective regular trading session.

2. VALUATION

- (a) *Closing valuations*

Underlying Closing Level means, in respect of a Depositary Receipt and a Valuation Date, the official closing price of such Depositary Receipt on such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Depositary Receipt, an Underlying Closing Level and a Scheduled Trading Day for such Depositary Receipt, the Scheduled Closing Time on the relevant Depositary Receipt Exchange on such Scheduled Trading Day.

- (b) *Intraday valuations*

Underlying Level means, in respect of a Depositary Receipt and a Valuation Date, the price of such Depositary Receipt observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of a Depositary Receipt, an Underlying Level and a Scheduled Trading Day for such Depositary Receipt, the time at which the price of such Depositary Receipt is being determined during such Scheduled Trading Day.

3. DISRUPTION TO VALUATION

If "Full Lookthrough" is elected in the applicable Pricing Supplement, then sub-paragraph (i) to sub-paragraph (xiv) below (inclusive) shall apply.

If "Partial Lookthrough" is elected in the applicable Pricing Supplement, then sub-paragraph (i) to sub-paragraph (vii) below (inclusive) only shall apply.

Disrupted Day means, in relation to a Depositary Receipt, any Scheduled Trading Day for such Depositary Receipt on which any of the applicable events set out below occurs.

In respect of such Depositary Receipt

- (i) any relevant Depositary Receipt Exchange or any relevant Depositary Receipt Related Exchange fails to open for trading during its regular trading session; or
- (ii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Depositary Receipt Exchange of the Depositary Receipt; or
- (iii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Depositary Receipt Related Exchange of futures contracts or options contracts relating to such Depositary Receipt; or
- (iv) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vi) or sub-paragraph (vii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Depositary Receipt Exchange) to effect transactions in or to obtain market values for such Depositary Receipt; or
- (v) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (vi) or sub-paragraph (vii) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Depositary Receipt Related Exchange) to effect transactions in or to obtain markets values for any futures contracts or options contracts relating to such Depositary Receipt; or
- (vi) the closure (which the Calculation Agent determines is material) on any Depositary Receipt Exchange Business Day of any relevant Depositary Receipt Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Depositary Receipt Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Depositary Receipt Exchange on such Depositary Receipt Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Depositary Receipt Exchange system for execution at the relevant Valuation Time on such Depositary Receipt Exchange Business Day); or
- (vii) the closure (which the Calculation Agent determines is material) on any Depositary Receipt Exchange Business Day of any Depositary Receipt Related Exchange in respect of futures

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contracts or options contracts relating to such Depositary Receipt prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Depositary Receipt Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Depositary Receipt Related Exchange on such Depositary Receipt Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Depositary Receipt Related Exchange system for execution at the relevant Valuation Time on such Depositary Receipt Exchange Business Day);

In respect of the relevant Underlying Shares in respect of such Depositary Receipt

- (viii) any relevant Underlying Share Exchange or any relevant Underlying Share Related Exchange fails to open for trading during its regular trading session; or
- (ix) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Underlying Share Exchange of the Underlying Share; or
- (x) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Underlying Share Related Exchange of futures contracts or options contracts relating to such Underlying Share; or
- (xi) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (xiii) or sub-paragraph (xiv) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Underlying Share Exchange) to effect transactions in or to obtain market values for such Underlying Share; or
- (xii) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (xiii) or sub-paragraph (xiv) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Underlying Share Related Exchange) to effect transactions in or to obtain markets values for any futures contracts or options contracts relating to such Underlying Share; or
- (xiii) the closure (which the Calculation Agent determines is material) on any Underlying Share Exchange Business Day of any relevant Underlying Share Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Underlying Share Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Underlying Share Exchange on such Underlying Share Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Underlying Share Exchange system for execution at the relevant Valuation Time on such Underlying Share Exchange Business Day); or
- (xiv) the closure (which the Calculation Agent determines is material) on any Underlying Share Exchange Business Day of any Underlying Share Related Exchange in respect of futures contracts or options contracts relating to such Underlying Share prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Underlying Share Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the

regular trading session on such Underlying Share Related Exchange on such Underlying Share Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Underlying Share Related Exchange system for execution at the relevant Valuation Time on such Underlying Share Exchange Business Day).

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Depositary Receipt, the relevant Depositary, the related Underlying Share and the relevant Underlying Share Company (as relevant): a Corporate Action, a Delisting, an Insolvency, a Merger Event, a Nationalisation, a Tender Offer, an Underlying Share Event and each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

(a) *Corporate Action*

Corporate Action means:

- (i) a subdivision, consolidation or reclassification of relevant Depositary Receipts and/or Underlying Shares, unless resulting in a Merger Event; or
- (ii) a free distribution or dividend of relevant Depositary Receipts and/or Underlying Shares to existing holders by way of bonus, capitalisation or similar issue; or
- (iii) a distribution, issue or dividend to existing holders of relevant Depositary Receipts and/or Underlying Shares of (A) an additional amount of such Depositary Receipts and/or such Underlying Shares; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Depositary or Underlying Share Company (as relevant) equally or proportionately with such payments to holders of such Depositary Receipts or Underlying Shares (as relevant); or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Depositary or Underlying Share Company as a result of a spin-off or other similar transaction; or (D) any other type of securities, rights or warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price as determined by the Calculation Agent; or
- (iv) an Extraordinary Dividend; or
- (v) a call by a Depositary or an Underlying Share Company in respect of relevant Depositary Receipts and/or Underlying Shares (as relevant), in each case, which are not fully paid; or
- (vi) a repurchase by a Depositary or an Underlying Share Company or any of its subsidiaries of relevant Depositary Receipts or Underlying Shares (as relevant), in each case, whether out of profits or capital, and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vii) in respect of a Depositary or an Underlying Share Company, an event which results in any shareholder rights being diluted or becoming separated from shares of common stock or other shares of the capital stock of such Depositary or such Underlying Share Company, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers which provides (upon the occurrence of certain events) for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent (PROVIDED THAT any adjustment effected as a result of such an event may, in the discretion of the Calculation Agent, be readjusted upon any redemption of such rights); or

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- (viii) any other event which may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Depositary Receipts and/or Underlying Shares; or
- (ix) the making of any amendment or supplement to the terms of a relevant Deposit Agreement; or
- (x) a distribution in respect of relevant Underlying Shares to the holders of such Underlying Shares of property other than cash, shares or rights relating to such Underlying Shares.

(b) *Delisting*

Delisting means:

- (i) where "Full Lookthrough" is specified as applicable in relation to a Depositary Receipt in the applicable Pricing Supplement, in respect of relevant Depositary Receipts and/or Underlying Shares, that the relevant Depositary Receipt Exchange and/or the relevant Underlying Share Exchange announces that, pursuant to the rules of such Depositary Receipt Exchange and/or such Underlying Share Exchange, such Depositary Receipts and/or Underlying Shares (as relevant) cease (or will cease) to be listed, traded or publicly quoted on such Depositary Receipt Exchange and/or such Underlying Share Exchange for any reason (other than a Merger Event or a Tender Offer) and are not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Depositary Receipt Exchange and/or such Underlying Share Exchange (or, where such Depositary Receipt Exchange or such Underlying Share Exchange is located within the European Union, in any Member State of the European Union) or another exchange or quotation system (that is deemed acceptable by the Calculation Agent) located in another country (that is deemed acceptable by the Calculation Agent); or
- (ii) where "Partial Lookthrough" is specified as applicable in relation to a Depositary Receipt in the applicable Pricing Supplement, in respect of relevant Depositary Receipts and/or, where an Underlying Share Exchange is specified in respect of an Underlying Share in the applicable Pricing Supplement, such Underlying Shares, that the relevant Depositary Receipt Exchange and/or the relevant Underlying Share Exchange announces that, pursuant to the rules of such Depositary Receipt Exchange and/or such Underlying Share Exchange, such Depositary Receipts and/or Underlying Shares (as relevant) cease (or will cease) to be listed, traded or publicly quoted on such Depositary Receipt Exchange and/or such Underlying Share Exchange for any reason (other than a Merger Event or a Tender Offer) and (a) such Depositary Receipt is not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Depositary Receipt Exchange (or, where such Depositary Receipt Exchange is located within the European Union, in any Member State of the European Union) or another exchange or quotation system (that is deemed acceptable by the Calculation Agent) located in another country (that is deemed acceptable by the Calculation Agent); or (b) such Underlying Share is not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.

(c) *Insolvency*

Insolvency means, in respect of a Depositary or an Underlying Share Company, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of or any analogous proceeding affecting the relevant Depositary or Underlying Share Company (as relevant), (A) all the Depositary Receipts of such Depositary and/or all the Underlying Shares of such Underlying Share Company are required to be transferred to an Insolvency Officer; or (B)

UNDERLYING SCHEDULE 6 - DEPOSITARY RECEIPT CONDITIONS

holders of such Depositary Receipts or such Underlying Shares become legally prohibited from transferring such Depositary Receipts or Underlying Shares (as relevant); or (ii) an Insolvency Event occurs in respect of such Depositary or such Underlying Share Company.

Insolvency Officer means an administrator, provisional liquidator, liquidator, conservator, receiver, trustee, custodian or other similar official.

Insolvency Event means, in respect of an entity, that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes, or has instituted against it by a Competent Official a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy law, insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding up or liquidation by it or by such Competent Official; or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained, in each case, within 15 days of the institution or presentation thereof; or (iv) seeks or becomes subject to the appointment of an Insolvency Officer of all or substantially all its assets; or (v) has a secured party take possession of all or substantially all its assets (and such secured party maintains possession for not less than 15 days thereafter); or (vi) 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 process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or (vii) causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (iv) to (vi) above. For these purposes, **Competent Official** means, in respect of an entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over such entity in the jurisdiction of its incorporation or organisation or in the jurisdiction of its head office or home office.

(d) *Merger Event*

Merger Event means, in respect of relevant Depositary Receipts and/or any Underlying Shares, any:

- (i) reclassification or change of such Depositary Receipts or Underlying Shares which results in a transfer of or an irrevocable commitment to transfer all such Depositary Receipts and/or Underlying Shares (as relevant) outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Depositary or the relevant Underlying Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Depositary and/or Underlying Share Company is the continuing entity and which does not result in a reclassification or change of all such Depositary Receipts or all such Underlying Shares (as relevant) outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Depositary Receipts and/or Underlying Shares, which results in a transfer of or an irrevocable commitment to transfer all such Depositary Receipts or such Underlying Shares (other than those Depositary Receipts or Underlying Shares owned or controlled by such other entity or person); or

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- (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Depositary or its subsidiaries or the relevant Underlying Share Company or its subsidiaries with or into another entity in which such Depositary or such Underlying Share Company (as relevant) is the continuing entity and which does not result in the reclassification or change of all such Depositary Receipts and/or all such Underlying Shares (as relevant) outstanding but results in the outstanding Depositary Receipts or Underlying Shares (as relevant) (other than those Depositary Receipts or Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Depositary Receipts or Underlying Shares (as relevant) immediately following such event,

in each case if the Merger Date is on or before (A) in the case of Cash Settlement Notes, the last occurring Valuation Date or (B) in the case of Physical Settlement Notes, the Maturity Date. For these purposes, **Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

- (e) *Nationalisation*

Nationalisation means that all the Depositary Receipts and/or Underlying Shares or all the assets or substantially all the assets of such Depositary and/or such Underlying Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

- (f) *Tender Offer*

Tender Offer means, in respect of a Depositary and/or an Underlying Share Company, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of such Depositary or such Underlying Share Company (as relevant), as determined by the Calculation Agent, based on the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

- (g) *Underlying Share Event*

Underlying Share Event means, in respect of a Depositary Receipt, (i) written instructions are given at any time by the relevant Underlying Share Company to the relevant Depositary to withdraw or surrender the Underlying Shares; or (ii) the relevant Deposit Agreement is at any time terminated.

5. ADDITIONAL EARLY REDEMPTION EVENTS

No Additional Early Redemption Event shall apply in respect of a Depositary Receipt.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Depositary Receipt, two Business Days.

- (b) *Depositary Receipt Substitution*

Any adjustment made by the Calculation Agent in response to an Adjustment Event may include a Depositary Receipt Substitution.

Depository Receipt Substitution means, in relation to an Adjustment Event, the replacement of a Depository Receipt (the **Affected Depository Receipt**) and/or an Underlying Share (the **Affected Underlying Share**) the subject of such Adjustment Event with a new depository receipt selected by the Calculation Agent (which shall be a depository receipt with the Same Underlying Share and Currency or selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement) and/or share selected by the Calculation Agent (which shall be a share contained in the Reference Index or selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement) (the **Depository Receipt Substitution Criteria**). Such new depository receipt shall be deemed to be a Depository Receipt in place of the Affected Depository Receipt and/or such new share shall be deemed to be an Underlying Share in place of the Affected Underlying Share.

Same Underlying Share and Currency shall mean, in respect of an Affected Depository Receipt, a depository receipt issued in respect of the same existing Underlying Share as the Affected Depository Receipt and denominated in the same currency as the Affected Depository Receipt. If no such replacement depository receipt is selected or available, then the relevant Underlying Share shall be substituted in accordance with the Depository Receipt Substitution Criteria for an Affected Underlying Share and the replacement depository receipt shall be a depository receipt issued in respect of such replacement Underlying Share.

Reference Index shall mean, in respect of an Affected Underlying Share, the index (a) of which such Affected Underlying Share is a component or of which it has been a component at any time during the six months immediately preceding the relevant substitution; and (b) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than one index satisfies the criteria in (a) and (b) above, or if no index satisfies the criteria in (a) and (b) above, then the Calculation Agent shall determine the Reference Index for such Affected Underlying Share by reference to such criteria as it deems appropriate.

- (c) *Determination of the Underlying Closing Level of a Depository Receipt on a Disrupted Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall apply.

- (d) *Calculation Agent's discretion to determine non-material events*

If the Calculation Agent determines that it is not material that any day which would otherwise have been a Valuation Date is:

- (i) not a Scheduled Trading Day because one or more relevant Depository Receipt Related Exchanges and/or, if "Full Lookthrough" is specified as applicable in the applicable Pricing Supplement, one or more relevant Underlying Share Related Exchanges is/are not scheduled to be open; and/or
- (ii) a Disrupted Day for the relevant Depository Receipt solely because any relevant Depository Receipt Related Exchange and/or, if "Full Lookthrough" is specified as applicable in the applicable Pricing Supplement, one or more relevant Underlying Share Related Exchanges fails to open,

then the Calculation Agent shall have the discretion to determine such day either (A) to be the relevant Valuation Date in respect of a Depository Receipt, notwithstanding that such day is not a Scheduled Trading Day for such Depository Receipt because one or more relevant Depository Receipt Related Exchanges and/or Underlying Share Related Exchanges is/are not scheduled to be open; or (B) not to be a Disrupted Day where such day would be a Disrupted Day solely because any

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relevant Depositary Receipt Related Exchange and/or any relevant Underlying Share Related Exchange fails to open.

In determining what is "material", the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (without limitation) the effect of the above on (I) any Underlying Closing Level or the Underlying Level (as relevant) of the affected Depositary Receipt; (II) any trading in futures contracts or options contracts on any such relevant Depositary Receipt Related Exchange and/or any such relevant Underlying Share Related Exchange; or (III) the Issuer's hedging arrangements in respect of the Notes.

(e) *Manner in which an adjustment may be made in response to an Adjustment Event*

The adjustment(s) made by the Calculation Agent in response to an Adjustment Event may (but need not) be determined by reference to any adjustment in respect of such Adjustment Event made by the relevant Depositary under the relevant Deposit Agreement.

UNDERLYING SCHEDULE 7

EXCHANGE TRADED FUND ("ETF") SHARE CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as an "ETF Share".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to ETF Shares.

1. **DEFINITIONS**

Additional Disruption Event means any of Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case, if specified in the applicable Pricing Supplement and/or any other event specified in the applicable Pricing Supplement.

ETF Share means each Underlying classified as such in the applicable Pricing Supplement.

Exchange means, in respect of an ETF Share, each exchange or quotation system specified as such in respect of such ETF Share in the applicable Pricing Supplement or any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in such ETF Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such ETF Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system).

Exchange Business Day means, in respect of an ETF Share, any Scheduled Trading Day for such ETF Share on which each Exchange and each Related Exchange for such ETF Share is open for trading during its respective regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Extraordinary Dividend means, in respect of an ETF Share, a dividend or a distribution or a portion thereof which is determined by the Calculation Agent to be an extraordinary dividend relating to such ETF Share.

Fund means, in respect of an ETF Share, the issuer of such ETF Share, as specified in the applicable Pricing Supplement.

Fund Administrator means, in respect of an ETF Share and the related Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund in respect of such ETF Share according to the Fund Documents of such Fund and such ETF Share.

Fund Adviser means, in respect of an ETF Share and the related Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) to such Fund in respect of such ETF Share, or any successor.

Fund Documents means, in respect of an ETF Share and the related Fund, the constitutive and governing documents of such Fund in respect of such ETF Share, and the subscription agreements and other agreements, in each case, relating to such ETF Shares and as amended from time to time.

Fund Service Provider means, in respect of an ETF Share and the related Fund, any person who is appointed to provide services, directly or indirectly, for such Fund in respect of such ETF Share,

UNDERLYING SCHEDULE 7 - EXCHANGE TRADED FUND ("ETF") SHARE CONDITIONS

whether or not specified in the relevant Fund Documents or any successor, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

Increased Cost of Stock Borrow means, in respect of an ETF Share, that any Hedging Party would incur a rate to borrow such ETF Share that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of an ETF Share, the rate that any Hedging Party would have incurred to borrow such ETF Share as of the Trade Date, as determined by the Calculation Agent.

Loss of Stock Borrow means, in respect of an ETF Share, that any Hedging Party is unable, after using commercially reasonable efforts, to borrow (or to maintain a borrowing of) such ETF Share at a rate equal to or less than the Maximum Stock Loan Rate.

Maximum Stock Loan Rate means, in respect of a ETF Share, the lowest rate that any Hedging Party would have incurred, after using commercially reasonable efforts, to borrow such ETF Share as of the Trade Date, as determined by the Calculation Agent.

Related Exchange means, in respect of an ETF Share, each exchange or quotation system specified as such for such ETF Share in the applicable Pricing Supplement or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures contracts or options contracts relating to such ETF Share has temporarily relocated (PROVIDED THAT the Calculation Agent has determined that there is comparable liquidity relative to such futures contracts or options contracts relating to such ETF Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system). Where "All Exchanges" is specified in the applicable Pricing Supplement as the applicable Related Exchange in respect of an ETF Share, then **Related Exchange** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures contracts or option contracts relating to such ETF Share.

Scheduled Closing Time means, in respect of an ETF Share, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such ETF Share, the scheduled weekday closing time on such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Exchange or Related Exchange.

Scheduled Trading Day means, in respect of an ETF Share, any day on which each Exchange and each Related Exchange in respect of such ETF Share is scheduled to be open for trading for its respective regular trading session.

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of an ETF Share and a Valuation Date, the official closing price of such ETF Share on such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of an ETF Share, an Underlying Closing Level and a Scheduled Trading Day, the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day.

(b) *Intraday valuations*

Underlying Level means, in respect of an ETF Share and a Valuation Date, the price of such ETF Share observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

Valuation Time means, in respect of an ETF Share, an Underlying Level and a Scheduled Trading Day, the time at which the price of such ETF Share is being determined during such Scheduled Trading Day.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of an ETF Share, any Scheduled Trading Day for such ETF Share on which any of the events set out below occurs:

- (a) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
- (b) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Exchange of the ETF Share; or
- (c) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on any relevant Related Exchange of futures contracts or options contracts relating to such ETF Share; or
- (d) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (f) or sub-paragraph (g) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Exchange) to effect transactions in or to obtain market values for such ETF Share; or
- (e) the occurrence or existence (which the Calculation Agent determines is material) at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in sub-paragraph (f) or sub-paragraph (g) of this definition) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such ETF Share; or
- (f) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any relevant Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Exchange for execution at the relevant Valuation Time on such Exchange Business Day); or
- (g) the closure (which the Calculation Agent determines is material) on any Exchange Business Day of any Related Exchange in respect of futures contracts or options contracts relating to such ETF Share prior to its Scheduled Closing Time (unless such earlier closing time is

UNDERLYING SCHEDULE 7 - EXCHANGE TRADED FUND ("ETF") SHARE CONDITIONS

announced by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Related Exchange for execution at the relevant Valuation Time on such Exchange Business Day).

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of an ETF Share and the relevant Fund: a Corporate Action, a Delisting, an Insolvency, a Merger Event, a Nationalisation, a Tender Offer, a Fund Modification, a Strategy Breach, a Regulatory Action, a Cross-contamination and each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

(a) *Corporate Action*

Corporate Action means:

- (i) a subdivision, consolidation or reclassification of relevant ETF Shares, unless resulting in a Merger Event; or
- (ii) a free distribution or dividend of relevant ETF Shares to existing holders by way of bonus, capitalisation or similar issue;
- (iii) a distribution, issue or dividend to existing holders of relevant ETF Shares of (A) an additional amount of such ETF Shares; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Fund equally or proportionately with such payments to holders of such ETF Shares; or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Fund as a result of a spin-off or other similar transaction; or (D) any other type of securities, rights or warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price, as determined by the Calculation Agent; or
- (iv) an Extraordinary Dividend; or
- (v) a repurchase by a Fund of relevant ETF Shares, whether the consideration for such repurchase is cash or otherwise other than in respect of a redemption of ETF Shares initiated by an investor in such ETF Share that is consistent with the relevant Fund Documents; or
- (vi) any other event which may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETF Shares.

(b) *Delisting*

Delisting means, in respect of relevant ETF Shares, that the relevant Exchange announces that, pursuant to the rules of such Exchange, such ETF Shares cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or a Tender Offer) and are not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is located within the European Union, in any Member State of the European Union) or another exchange or quotation system (that is deemed acceptable by the Calculation Agent) located in another country (that is deemed acceptable by the Calculation Agent).

(c) *Insolvency*

Insolvency means, in respect of a Fund, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of or any analogous proceeding affecting such Fund, (A) all the ETF Shares are required to be transferred to an Insolvency Officer; or (B) holders of such ETF Shares of such Fund become legally prohibited from transferring or redeeming such ETF Shares; or (ii) an Insolvency Event occurs in respect of such Fund or any of its Fund Service Providers.

Insolvency Officer means an administrator, provisional liquidator, liquidator, conservator, receiver, trustee, custodian or other similar official.

Insolvency Event means, in respect of an entity, that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes, or has instituted against it by a Competent Official, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy law, insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding up or liquidation by it or by such Competent Official; or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or (y) the making of an order for its winding-up or liquidation or is not dismissed, discharged, stayed or restrained, in each case, within 15 days of the institution or presentation thereof; or (iv) seeks or becomes subject to the appointment of an Insolvency Officer for all or substantially all its assets; or (v) has a secured party take possession of all or substantially all its assets (and such secured party maintains possession for not less than 15 days thereafter); or (vi) 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 process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or (vii) causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (iv) to (vi) above. For these purposes, **Competent Official** means, in respect of an entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over such entity in the jurisdiction of its incorporation or organisation or in the jurisdiction of its head office or home office.

(d) *Merger Event*

Merger Event means, in respect of any relevant ETF Shares, any:

- (i) reclassification or change of such ETF Shares which results in a transfer of or an irrevocable commitment to transfer all such ETF Shares outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Fund with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Fund is the continuing entity and which does not result in a reclassification or change of all such ETF Shares outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETF Shares of the relevant Fund, which results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than those ETF Shares owned or controlled by such other entity or person); or

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- (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Fund with or into another entity in which such Fund is the continuing entity and which does not result in the reclassification or change of all such ETF Shares outstanding but results in the outstanding ETF Shares (other than those ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETF Shares immediately following such event,

in each case if the Merger Date is on or before (A) in the case of Cash Settlement Notes, the last occurring Valuation Date or (B) in the case of Physical Settlement Notes, the Maturity Date. For these purposes, **Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

- (e) *Tender Offer*

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

- (f) *Nationalisation*

Nationalisation means, in respect of a Fund, that all the ETF Shares of such Fund or all the assets or substantially all the assets of such Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

- (g) *Fund Modification*

Fund Modification means, in respect of an ETF Share and the related Fund, any change or modification of the Fund Documents of such Fund in respect of such ETF Share which could reasonably be expected to affect (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any ETF Share as compared with those rights and remedies prevailing on the Issue Date.

- (h) *Strategy Breach*

Strategy Breach means, in respect of an ETF Share and the related Fund, any breach or violation of any strategy or investment guidelines stated in the Fund Documents of such Fund in respect of such ETF Share which is reasonably likely, in the determination of the Calculation Agent, to affect: (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any such ETF Share as compared with those rights or remedies prevailing on the Issue Date.

- (i) *Regulatory Action*

Regulatory Action means, in respect of an ETF Share and the related Fund, (i) the cancellation, suspension, revocation of the registration or approval of such Fund or such ETF Share by any governmental, legal or regulatory entity with authority over such Fund or such ETF Share; (ii) any change in the legal, tax, accounting or regulatory treatment of such ETF Share, such Fund or its Fund Adviser which is reasonably likely, in the determination of the Calculation Agent, to have an adverse impact on the value of such ETF Share or on any investor in such ETF Share; or (iii) such Fund or any of its Fund Administrator or its Fund Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the

alleged violation of applicable law for any activity relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser.

(j) *Cross-contamination*

Cross-contamination means, in respect of an ETF Share and the related Fund, the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series or sub-funds of such Fund, and such event continues, in the determination of the Calculation Agent, for the foreseeable future.

5. ADDITIONAL EARLY REDEMPTION EVENTS

No Additional Early Redemption Event shall apply in respect of an ETF Share.

6. ADDITIONAL PROVISIONS

(a) *Correction of published or announced prices or levels*

Correction Period means, in respect of an ETF Share, two Business Days.

(b) *ETF Share Substitution*

Any adjustment made by the Calculation Agent in response to an Adjustment Event may include an ETF Share Substitution.

ETF Share Substitution means, in relation to an Adjustment Event, the replacement of an ETF Share the subject of such Adjustment Event with a new exchange-traded fund share selected by the Calculation Agent (which shall be an exchange-traded fund share which tracks the Related Index or another index having the same or substantially similar formula for and method of calculation as the Related Index or selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement (the **ETF Share Substitution Criteria**)). Such new exchange-traded fund share shall be deemed to be an ETF Share in place of the ETF Share the subject of the Adjustment Event.

For which purposes, **Related Index** means, in respect of an ETF Share, the index specified for such ETF Share in the applicable Pricing Supplement.

(c) *Determination of the Underlying Closing Level of an ETF Share on a Disrupted Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall apply.

(d) *Calculation Agent's discretion to determine non-material events*

If the Calculation Agent determines that it is not material that any day which would otherwise have been a Valuation Date is:

- (i) not a Scheduled Trading Day because one or more relevant Related Exchanges is not scheduled to be open; or
- (ii) a Disrupted Day for an ETF Share solely because any relevant Related Exchange fails to open,

UNDERLYING SCHEDULE 7 - EXCHANGE TRADED FUND ("ETF") SHARE CONDITIONS

then the Calculation Agent shall have the discretion to determine such day either (A) to be the relevant Valuation Date in respect of an ETF Share, notwithstanding that such day is not a Scheduled Trading Day for such ETF Share because one or more such Related Exchanges is not scheduled to be open; or (B) not to be a Disrupted Day where such day would be a Disrupted Day solely because any such Related Exchange fails to open.

In determining what is "material", the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (without limitation) the effect of the above on (I) any Underlying Closing Level or any Underlying Level (as relevant) of the affected ETF Share; (II) any trading in futures contracts or options contracts on any such relevant Related Exchange; and (III) the Issuer's hedging arrangements in respect of the Notes.

UNDERLYING SCHEDULE 8
MUTUAL FUND CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Mutual Fund Interest".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Mutual Funds.

1. DEFINITIONS

Actual Interim Valuation Date means, in respect of a Mutual Fund Interest and the related Mutual Fund, a date on which such Mutual Fund (or its Fund Service Provider which generally determines such value) actually determines the value (however expressed) of such Mutual Fund Interest of such Mutual Fund or, if such Mutual Fund only reports its aggregate net asset value, a date on which such Mutual Fund actually determines its aggregate net asset value.

Actual Redemption Valuation Date means, in respect of a Mutual Fund Interest and the related Mutual Fund, a date on which such Mutual Fund (or its Fund Service Provider which generally determines such value) would determine the value (however expressed) of a Mutual Fund Interest of such Mutual Fund, for the purpose of calculating the redemption proceeds to be paid to a Hypothetical Investor who has submitted a valid and timely redemption notice for a redemption of such Mutual Fund Interests.

Additional Disruption Event means any of Asset Trigger Event, Delisting and/or Related Agreement Termination, Fees or Charges Event, Fund Adviser Event, Holding Ratio Change, Limitation Event, NAV Trigger Event, New Information Event, Non-Currency Redemption, in each case, if specified in the applicable Pricing Supplement and/or any other event specified in the applicable Pricing Supplement.

Asset Trigger Event means, in respect of a Mutual Fund, the aggregate net asset value of the Mutual Fund Interests held by the Issuer and/or any of its Affiliates is more than 10 per cent. of the aggregate net asset value of such Mutual Fund, as determined by the Calculation Agent, at any time.

Delisting means, in respect of a Mutual Fund Interest, that the relevant Exchange announces that, pursuant to the rules of such Exchange, such Mutual Fund Interest ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event) and is not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange or another exchange or quotation system (that is deemed acceptable by the Calculation Agent) located in another country (that is deemed acceptable by the Calculation Agent).

Extraordinary Dividend means, in respect of a Mutual Fund Interest, a dividend or a distribution or portion thereof which is determined by the Calculation Agent to be an extraordinary dividend relating to such Mutual Fund Interest.

Fees or Charges Event means, in respect of a Mutual Fund, the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of relevant Mutual Fund Interests other than any such fee or charge in existence on the Trade Date.

Fund Administrator means, in respect of a Mutual Fund Interest and the related Mutual Fund, the fund administrator, manager, trustee or similar person with the primary administrative

UNDERLYING SCHEDULE 8 - MUTUAL FUND CONDITIONS

responsibilities for such Mutual Fund in respect of such Mutual Fund Interest according to the Fund Documents of such Mutual Fund and such Mutual Fund Interest, or any successor acceptable to the Calculation Agent.

Fund Adviser means, in respect of a Mutual Fund Interest and the related Mutual Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) to such Mutual Fund in respect of such Mutual Fund Interest, or any successor acceptable to the Calculation Agent.

Fund Adviser Event means, in respect of a Mutual Fund, that the Calculation Agent determines (a) that at any time after the Issue Date, the total value of the assets managed by the relevant Fund Adviser (including in relation to such Mutual Fund) is equal to or less than 100,000,000 United States dollars (or its equivalent) or such other amount specified in the applicable Pricing Supplement (the **AUM Threshold**) or (b) that over any period of twelve months, the total value of the assets managed by the relevant Fund Adviser (including in relation to such Mutual Fund) has decreased by fifty per cent. (either due to redemptions or decrease in the value of such assets or otherwise).

Fund Documents means, in respect of a Mutual Fund Interest and the related Mutual Fund, the constitutive and governing documents of such Mutual Fund in respect of such Mutual Fund Interest and the subscription agreements and other agreements, in each case, relating to such Mutual Fund Interests and as amended from time to time.

Fund Service Provider means, in respect of a Mutual Fund Interest and the related Mutual Fund, any person who is appointed to provide services, directly or indirectly, for such Mutual Fund in respect of such Mutual Fund Interest, whether or not specified in the relevant Fund Documents or any successor acceptable to the Calculation Agent, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

Holding Ratio Change means, in respect of a Mutual Fund, the reduction of such Mutual Fund's aggregate net asset value under an amount that, in the determination of the Calculation Agent, has, or is likely to have, a material adverse effect on the performance or management of such Mutual Fund or would increase the proportion of the Mutual Fund Interests held, or likely to be held, by any Hedging Party, to the extent that the full redemption of the Mutual Fund Interests held by such Hedging Party is likely to be delayed or become subject to "gating" by such Mutual Fund.

Hypothetical Investor means, in respect of a Mutual Fund, a hypothetical investor in Mutual Fund Interests of such Mutual Fund deemed (a) to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding, as of the Issue Date, an interest in such Mutual Fund equal to the relevant number (determined by the Calculation Agent) of such Mutual Fund Interests; (b) in the case of any deemed investment in such Mutual Fund Interests, to have submitted a duly completed and timely notice requesting a subscription for the relevant number of such Mutual Fund Interests; and (c) in the case of any deemed redemption of an investment in such Mutual Fund Interests, to have submitted a duly completed and timely notice requesting a redemption of the relevant number of such Mutual Fund Interests.

Limitation Event means, in respect of a Mutual Fund, (i) a material limitation is imposed on dealings in any relevant Mutual Fund Interests, (ii) such Mutual Fund's dealing schedule is changed (including, but not limited to, a change in notice periods for redemptions or imposition of gating provisions), (iii) subscription and/or redemption liquidity in any relevant Mutual Fund Interests is reduced, (iv) there is a material reduction in the assets under management of such Mutual Fund since the Trade Date or (v) any other event occurs which restricts, in whole or in part (on a permanent or temporary basis), dealings of any nature with respect to any relevant Mutual Fund Interest (whether

or not the relevant event occurs pursuant to any provisions permitting such Mutual Fund to restrict in any way dealings with respect to the relevant Mutual Fund Interest).

Mutual Fund means, in respect of a Mutual Fund Interest, the issuer of such Mutual Fund Interest, as specified in the applicable Pricing Supplement.

Mutual Fund Interest means each mutual fund share or unit classified as such in the applicable Pricing Supplement.

NAV Trigger Event means, in respect of a Mutual Fund, such Mutual Fund has violated any leverage restriction that is applicable to, or affecting, it 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 relevant Fund Documents or any contractual restriction binding on or affecting the Mutual Fund or any of its assets.

New Information Event means, in respect of a Mutual Fund, (x) any information provided to the Calculation Agent by or in connection with such Mutual Fund, the relevant Fund Adviser, the relevant Fund Administrator or other Fund Service Provider is misleading or inaccurate in any respect or (y) the publication or dissemination (through any medium) of information is or becomes available which, if considered by itself or with information previously provided to the Calculation Agent, would be likely to cause a Hypothetical Investor to refrain from investing in or to seek to realise any investment in any relevant Mutual Fund Interests, as determined by the Calculation Agent.

Non Currency Redemption means, in respect of a Mutual Fund, any relevant Mutual Fund Interests are redeemed otherwise than in cash or are redeemed in a currency(ies) other than the currency(ies) in which as of the Trade Date (and according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent) it is intended redemptions of the relevant Mutual Fund Interests shall occur.

Related Agreement Termination means, in respect of a Mutual Fund, such Mutual Fund or any of its Fund Administrator or Fund Adviser or other relevant party specified in the applicable Pricing Supplement is in breach of or has terminated any existing agreement with the Issuer or any of its Affiliates or agents in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

Relevant Price means, in respect of a Mutual Fund Interest, the value of such Mutual Fund Interest, as determined by the Calculation Agent.

Scheduled Trading Day means, in respect of a Mutual Fund, any Scheduled Interim Valuation Date in respect of such Mutual Fund and/or any Scheduled Redemption Valuation Date in respect of such Mutual Fund, as specified in the applicable Pricing Supplement.

Scheduled Interim Valuation Date means, in respect of a Mutual Fund Interest and the related Mutual Fund, any day on which such Mutual Fund (or its Fund Service Provider which generally determines such value) is scheduled according to the Fund Documents of such Mutual Fund in respect of such Mutual Fund Interest (without giving effect to any gating, deferral, suspension or other provisions permitting such Mutual Fund to delay or to refuse redemption of such Mutual Fund Interests) to determine the value (however expressed) of such Mutual Fund Interest or, if such Mutual Fund only reports its aggregate net asset value, the date as of which such Mutual Fund is scheduled to determine its aggregate net asset value.

Scheduled Redemption Valuation Date means, in respect of a Mutual Fund Interest and the related Mutual Fund, any day on which such Mutual Fund (or its Fund Service Provider which generally

UNDERLYING SCHEDULE 8 - MUTUAL FUND CONDITIONS

determines such value) is scheduled according to the Fund Documents of such Mutual Fund in respect of such Mutual Fund Interest (without giving effect to any gating, deferral, suspension or other provisions permitting such Mutual Fund to delay or to refuse redemption of such Mutual Fund Interests) to determine the value (however expressed) of such Mutual Fund Interest, for the purpose of calculating the redemption proceeds to be paid to a Hypothetical Investor who has submitted a valid and timely redemption notice for a redemption of such Mutual Fund Interests (such redemption to be effected on the basis of the value determined as of such day).

2. VALUATION

Underlying Closing Level means, in respect of a Mutual Fund Interest and a Valuation Date, the Relevant Price of such Mutual Fund Interest in respect of such Valuation Date either (a) where Same Day Publication is specified as applicable in the applicable Pricing Supplement, on such Valuation Date (and in which circumstances, where the level of such Mutual Fund Index is published on a succeeding Scheduled Trading Day, the level for that Valuation Date will have been the level calculated for the Mutual Fund Index for or in respect of a preceding Scheduled Trading Day) or (b) where Same Day Publication is not specified as applicable in the applicable Pricing Supplement, for such Valuation Date (and in which circumstances the level for that Valuation Date may be published on a succeeding Scheduled Trading Day).

In determining a Relevant Price, the Calculation Agent may have regard to any value of the relevant Mutual Fund Interest or aggregate value of the relevant Mutual Fund, in each case, as reported by the Fund Service Provider that generally reports such value on behalf of the relevant Mutual Fund to its investors or a publishing service and displayed on the applicable Electronic Page.

Valuation Time and Underlying Level shall not apply to a Mutual Fund Interest.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Mutual Fund Interest and the related Mutual Fund, any Scheduled Trading Day for such Mutual Fund Interest on which there is:

- (i) in the case of Scheduled Trading Days that are specified in the applicable Pricing Supplement to be Scheduled Interim Valuation Dates, a failure of any Scheduled Interim Valuation Date to be an Actual Interim Valuation Date;
- (ii) in the case of Scheduled Trading Days that are specified in the applicable Pricing Supplement to be Scheduled Redemption Valuation Dates, a failure of any Scheduled Redemption Valuation Date to be an Actual Redemption Valuation Date; or
- (iii) a failure by such Mutual Fund on or before such day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Mutual Fund Interest scheduled to have been paid on or before such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting such Mutual Fund to delay or to refuse redemption of Mutual Fund Interests).

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Mutual Fund Interest and the related Mutual Fund: a Corporate Action, an Insolvency, a Merger Event, a Nationalisation, an Adviser Resignation Event, a Fund Modification, a Strategy Breach, a Regulatory Action, a Reporting Disruption, a Cross-contamination, a Failure by a Fund Service Provider and each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

(a) *Corporate Action*

Corporate Action means:

- (i) a subdivision, consolidation or reclassification of relevant Mutual Fund Interests, unless resulting in Merger Event; or
- (ii) a free distribution or dividend of relevant Mutual Fund Interests to existing holders by way of bonus, capitalisation or similar issue; or
- (iii) a distribution, issue or dividend to existing holders of relevant Mutual Fund Interests of (A) an additional amount of such Mutual Fund Interests; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Mutual Fund equally or proportionately with such payments to holders of such Mutual Fund Interests; or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Mutual Fund as a result of a spin-off or other similar transaction; or (D) any other type of securities, rights or warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price, as determined by the Calculation Agent; or
- (iv) an Extraordinary Dividend; or
- (v) a repurchase by a Mutual Fund of relevant Mutual Fund Interests, whether the consideration for such repurchase is cash, securities or otherwise other than in respect of a redemption of Mutual Fund Interests initiated by an investor in such Mutual Fund Interests that is consistent with the relevant Fund Documents; or
- (vi) any other event which may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Mutual Fund Interests.

(b) *Insolvency*

Insolvency means, in respect of a Mutual Fund, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of or any analogous proceeding affecting such Mutual Fund, (A) all the Mutual Fund Interest of such Mutual Fund are required to be transferred to an Insolvency Officer; or (B) holders of Mutual Fund Interests of such Mutual Fund become legally prohibited from transferring or redeeming such Mutual Fund Interests; or (ii) an Insolvency Event occurs in respect of such Mutual Fund or any of its Fund Service Providers.

Insolvency Officer means an administrator, provisional liquidator, liquidator, conservator, receiver, trustee, custodian or other similar official.

Insolvency Event means, in respect of an entity, that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes, or has instituted against it by a Competent Official, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy law, insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding up or liquidation by it or by such Competent Official; or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or

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the entry of an order for relief or (y) the making of an order for its winding-up or liquidation or is not dismissed, discharged, stayed or restrained, in each case, within 15 days of the institution or presentation thereof; or (iv) seeks or becomes subject to the appointment of an Insolvency Officer for all or substantially all its assets; or (v) has a secured party take possession of all or substantially all its assets (and such secured party maintains possession for not less than 15 days thereafter); or (vi) 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 process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or (vii) causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (iv) to (vi) above. For these purposes, **Competent Official** means, in respect of an entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over such entity in the jurisdiction of its incorporation or organisation or in the jurisdiction of its head office or home office.

(c) *Merger Event*

Merger Event means, in respect of any relevant Mutual Fund Interest, any:

- (i) reclassification or change of such Mutual Fund Interest which results in a transfer of or an irrevocable commitment to transfer all such Mutual Fund Interests outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Mutual Fund with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Mutual Fund is the continuing entity and which does not result in a reclassification or change of all such Mutual Fund Interests outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Mutual Fund Interests of the relevant Mutual Fund, which results in a transfer of or an irrevocable commitment to transfer all such Mutual Fund Interests (other than those Mutual Fund Interests owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Mutual Fund with or into another entity in which such Mutual Fund is the continuing entity and which does not result in the reclassification or change of all such Mutual Fund Interests outstanding but results in the outstanding Mutual Fund Interests (other than those Mutual Fund Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Mutual Fund Interests immediately following such event,

in each case if the Merger Date is on or before (A) in the case of Cash Settlement Notes, the last occurring Valuation Date or (B) in the case of Physical Settlement Notes, the Maturity Date. For these purposes, **Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

(d) *Nationalisation*

Nationalisation means, in respect of a Mutual Fund, that all the Mutual Fund Interests of such Mutual Fund or all the assets or substantially all the assets of such Mutual Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(e) *Adviser Resignation Event*

Adviser Resignation Event means, in respect of a Mutual Fund Interest and the related Mutual Fund, the resignation, termination of the appointment or replacement of the Fund Adviser in respect of such Mutual Fund Interest and any such Fund Adviser is not immediately replaced by another fund adviser acceptable to the Calculation Agent.

(f) *Fund Modification*

Fund Modification means, in respect of a Mutual Fund Interest and the related Mutual Fund, any change or modification of the Fund Documents of such Mutual Fund in respect of such Mutual Fund Interest which could reasonably be expected to affect (i) the value of such Mutual Fund Interest; or (ii) the rights or remedies of any holder of any Mutual Fund Interest as compared with those rights and remedies prevailing on the Issue Date.

(g) *Strategy Breach*

Strategy Breach means, in respect of a Mutual Fund Interest and the related Mutual Fund, any breach or violation of any strategy or investment guidelines stated in the Fund Documents of such Mutual Fund in respect of such Mutual Fund Interest which is reasonably likely, in the determination of the Calculation Agent, to affect (i) the value of such Mutual Fund Interest; or (ii) the rights or remedies of any holder of any such Mutual Fund Interest as compared with those rights or remedies prevailing on the Issue Date.

(h) *Regulatory Action*

Regulatory Action means, in respect of a Mutual Fund Interest and the related Mutual Fund, (i) the cancellation, suspension, revocation of the registration or approval of such Mutual Fund or such Mutual Fund Interest by any governmental, legal or regulatory entity with authority over such Mutual Fund or such Mutual Fund Interest; (ii) any change in the legal, tax, accounting or regulatory treatment of such Mutual Fund Interest, such Mutual Fund or its Fund Adviser which is reasonably likely, in the determination of the Calculation Agent, to have an adverse impact on the value of such Mutual Fund Interest or on any investor in such Mutual Fund Interest; or (iii) such Mutual Fund or any of its Fund Administrator or its Fund Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activity relating to or resulting from the operation of such Mutual Fund, Fund Administrator or Fund Adviser.

(i) *Reporting Disruption*

Reporting Disruption means, in respect of a Mutual Fund Interest and the related Mutual Fund, the occurrence of any event affecting such Mutual Fund which would make it impossible or impracticable to determine the value of such Mutual Fund Interest, and such event continues, in the determination of the Calculation Agent, for the foreseeable future.

(j) *Cross-contamination*

Cross-contamination means, in respect of a Mutual Fund, the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series or sub-funds of such Mutual Fund.

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- (k) *Failure by a Fund Service Provider*

Failure by a Fund Service Provider means, in respect of a Mutual Fund Interest and the related Mutual Fund, a failure by a Fund Service Provider in respect of such Mutual Fund Interest and such Mutual Fund to perform any of its obligations in respect of such Mutual Fund Interest and such Mutual Fund and such Fund Service Provider is not immediately replaced by another fund service provider acceptable to the Calculation Agent.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Mutual Fund: the Calculation Agent determines that no Monetisation can reasonably be effected under Condition 6(d) (*Adjustments following an Adjustment Event*) of the Mutual Fund Conditions.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Mutual Fund Interest, two Business Days.

- (b) *Mutual Fund Interest Substitution*

Any adjustment made by the Calculation Agent in response to an Adjustment Event may include a Mutual Fund Substitution.

Mutual Fund Substitution means, in relation to an Adjustment Event, the replacement of a Mutual Fund Interest (the **Affected Mutual Fund**) the subject of such Adjustment Event with a new mutual fund share or unit selected by the Calculation Agent (which shall be an Equivalent Mutual Fund Interest or selected in accordance with any other criteria specified in the applicable Pricing Supplement) (the **Mutual Fund Interest Substitution Criteria**). Such new mutual fund share or unit shall be deemed to be a Mutual Fund Interest in place of the Affected Mutual Fund Interest.

Equivalent Mutual Fund Interest means a mutual fund share or unit in a fund which is a mutual fund which:

- (i) if "Liquidity" is specified in respect of the Equivalent Mutual Fund Interest Criteria in the applicable Pricing Supplement, provides daily liquidity (subject to certain exceptions specified in the relevant fund documents acceptable to the Calculation Agent and conforming to accepted market standards) and the shares or units of which (however described in the relevant fund documents) may be subscribed or sold to or redeemed by the relevant fund at a value equal to the net asset value on a fund business day (however described in the relevant fund documents) (subject to exceptions as aforesaid) by giving no more than two fund business days' notice, without the imposition of any charges by such fund in respect of such subscription, sale or redemption;
- (ii) if "Similar Strategy" is specified in respect of the Equivalent Mutual Fund Interest Criteria in the applicable Pricing Supplement, which has the same or substantially similar strategies as the Affected Mutual Fund; and
- (iii) if "Same Currency" is specified in respect of the Equivalent Mutual Fund Interest Criteria in the applicable Pricing Supplement, has the same currency as the Affected Mutual Fund.

(c) *Determination of the Underlying Closing Level of a Mutual Fund Interest on a Disrupted Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions shall apply.

(d) *Adjustments following an Adjustment Event*

Any adjustment made by the Calculation Agent in response to an Adjustment Event pursuant to Condition 7(g) (*Adjustment Events*) of the General Conditions may include substitution of the relevant Underlying in whole or in part as specified therein and, in the event that, in the determination of the Calculation Agent, any such substitution of the relevant Underlying cannot reasonably be made, may also include Monetisation in respect of the relevant Underlying and the Calculation Agent may make such other adjustments to the terms of the Notes as it deems appropriate in relation to such Monetisation.

For the purposes of the above, **Monetisation** means:

- (i) on a date selected by the Calculation Agent (the **Affected Mutual Fund Valuation Date**), the Calculation Agent shall value the amount of the Mutual Fund Interest affected by the Adjustment Event (the **Affected Mutual Fund Interests**) relating to a Specified Denomination (such value, less any costs and expenses of unwinding any related Hedge Positions, the **Affected Mutual Fund Value**); and
- (ii) the Calculation Agent shall adjust the formulae or method of determining any amounts payable in respect of the Notes to reflect the Affected Mutual Fund Value in lieu of the Relevant Price of the Affected Mutual Fund Interest, and shall adjust the Redemption Amount to include an amount in respect of interest (compounded on a daily basis) on the Affected Mutual Fund Value, as determined by the Calculation Agent, accrued at an overnight rate relating to the Specified Currency selected by the Calculation Agent during the period from (and including) the Affected Mutual Fund Valuation Date to (but excluding) the Maturity Date.

UNDERLYING SCHEDULE 9

FX RATE CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as an "FX Rate".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to FX Rates or any other Notes where this Underlying Schedule is specifically stated to apply in the applicable Pricing Supplement.

PART A

The provisions of this Part A apply where EMTA Provisions are not specified as applicable in the applicable Pricing Supplement.

1. DEFINITIONS

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Base Currency means, in respect of an Exchange Rate, the currency specified as such in respect of such Exchange Rate in the applicable Pricing Supplement.

Currency Pair means, in respect of an Exchange Rate, the Quote Currency and the Base Currency specified for such Exchange Rate in the applicable Pricing Supplement.

Event Currency means, in respect of an Exchange Rate, the Quote Currency and/or the Base Currency, unless otherwise specified in the applicable Pricing Supplement.

Event Currency Jurisdiction means, in respect of an Event Currency, the country for which such Event Currency is the lawful currency.

Exchange Rate means the spot rate of exchange for exchange of the relevant Quote Currency into the relevant Base Currency (expressed as the number of units (or parts thereof) of the Quote Currency for which one unit of the Base Currency can be exchanged) which appears on the relevant Electronic Page at approximately the Valuation Time, as specified in the applicable Issue Terms.

FX Rate means:

- (a) where "cross-rate/formula" is not specified as applicable for such FX Rate in the applicable Issue Terms, the Exchange Rate for such FX Rate, as specified in the applicable Issue Terms; or
- (b) where "cross-rate/formula" is specified as applicable for such FX Rate in the applicable Issue Terms, the "inverse of" and/or the "product of" and/or the "quotient of" (in each case as specified in the applicable Issue Terms) each Exchange Rate specified for such FX Rate in the applicable Issue Terms.

Governmental Authority means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

Non-Event Currency means, in respect of an Exchange Rate and the relevant Currency Pair, the currency of such Currency Pair which is not the Event Currency.

Price Materiality Percentage means, in respect of Price Materiality, the percentage specified in the applicable Pricing Supplement.

Primary Rate means, in respect of Price Materiality, the currency exchange rate determined as set out in the applicable Pricing Supplement.

Quote Currency means, in respect of an Exchange Rate, the currency specified as such in respect of such Exchange Rate in the applicable Pricing Supplement.

Scheduled Trading Day means, in respect of an Exchange Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a Disrupted Day would have settled payments and been open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres specified for such FX Rate in the applicable Pricing Supplement.

Secondary Rate means, in respect of Price Materiality, the currency exchange rate determined as set out in the applicable Pricing Supplement.

Specified Financial Centre(s) means the financial centre(s) specified in the applicable Pricing Supplement.

2. VALUATION

(a) *Closing Valuations*

Underlying Closing Level means, in respect of a Valuation Date, the FX Rate for such Valuation Date, as determined by the Calculation Agent by reference to the relevant Exchange Rates.

(b) *Intraday Valuations*

Underlying Level means, in respect of a Valuation Date, the FX Rate observed continuously during such Valuation Date, as determined by the Calculation Agent by reference to the relevant Exchange Rates.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of an FX Rate and the related Exchange Rate(s), any Scheduled Trading Day for such FX Rate on which a Market Disruption Event occurs.

For the purposes hereof:

Currency Disruption Event means any of Dual Exchange Rate, General Inconvertibility, General Non-Transferability, Governmental Authority Default, Illiquidity, Material Change in Circumstances, Nationalisation, Price Materiality, Specific Inconvertibility and Specific Non-Transferability, each such term as defined below, and any other event specified as such in the applicable Pricing Supplement:

Dual Exchange Rate means, in respect of an FX Rate and as determined by the Calculation Agent, the split of any Exchange Rate specified for such FX Rate into dual or multiple currency exchange rates.

UNDERLYING SCHEDULE 9 - FX RATE CONDITIONS

General Inconvertibility means, in respect of an FX Rate and the related Exchange Rate(s) and as determined by the Calculation Agent, the occurrence of any event that generally makes it impossible or not reasonably practicable to convert any relevant Event Currency into the relevant Non-Event Currency in the relevant Event Currency Jurisdiction through customary legal channels.

General Non-Transferability means, in respect of an FX Rate and the related Exchange Rate(s) and as determined by the Calculation Agent, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) any relevant Non-Event Currency from accounts inside the relevant Event Currency Jurisdiction to accounts outside the relevant Event Currency Jurisdiction or (b) any relevant Event Currency between accounts inside the relevant Event Currency Jurisdiction or to a party that is a non-resident of such Event Currency Jurisdiction.

Governmental Authority Default means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default, or other similar condition or event (however described), as determined by the Calculation Agent, including, but not limited to, (A) the failure of timely payment in full of any principal, interest, or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money, or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation, or rescheduling of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default, or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money, or guarantee.

Illiquidity means, in respect of an FX Rate and a Valuation Date and as determined by the Calculation Agent, it becomes impossible or otherwise impracticable to obtain a firm quote to determine the relevant rate(s) required to calculate the Underlying Closing Level or Underlying Level (as relevant) for any relevant amount at the relevant time on the relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

Material Change in Circumstances means the occurrence of an event in an Event Currency Jurisdiction beyond the control of any Hedging Party which makes it impossible or not reasonably practicable for (i) any Hedging Party to fulfil its obligations under any Hedging Position and (ii) for any entity generally to fulfil obligations similar to such Hedging Party's obligations under any Hedging Position.

Nationalisation means, in the determination of the Calculation Agent, any expropriation, confiscation, requisition, nationalisation or other action by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any Event Currency Jurisdiction.

Price Materiality means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage, as determined by the Calculation Agent.

Specific Inconvertibility means, in respect of an FX Rate and as determined by the Calculation Agent, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to convert the whole, or part thereof, of any relevant amount in any relevant Event Currency into the relevant Non-Event Currency in the relevant Event Currency Jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of any relevant Event Currency into the relevant Non-Event

Currency) other than where such hindrance, limitation, restriction, impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation).

Specific Non-Transferability means, in respect of an FX Rate and as determined by the Calculation Agent, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to deliver (a) any relevant amount in any relevant Non-Event Currency from accounts inside the relevant Event Currency Jurisdiction to accounts outside such Event Currency Jurisdiction or (b) any relevant amount in any relevant Event Currency between accounts inside the relevant Event Currency Jurisdiction or to a party that is a non-resident of such Event Currency Jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of any relevant Event Currency into the relevant Non-Event Currency), other than where such hindrance, limitation, restriction, impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation).

Market Disruption Event means, in respect of an FX Rate and the related Exchange Rate(s), the occurrence or existence, as determined by the Calculation Agent, of any Price Source Disruption and/or any Trading Suspension or Limitation and/or any Currency Disruption Event specified in respect of such FX Rate in the applicable Pricing Supplement.

Price Source Disruption means, in respect of an FX Rate and a Valuation Date and as determined by the Calculation Agent, it becomes impossible or otherwise impracticable to obtain the relevant rate(s) required to calculate the Underlying Closing Level or Underlying Level (as relevant) on such Valuation Date (or, if different, the day on which rates for such Valuation Date would, in the ordinary course, be published or announced on the relevant Electronic Page).

Repudiation means, in respect of a Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money, or guarantee of such Governmental Authority in any material respect.

Trading Suspension or Limitation means, in respect of an FX Rate and a Valuation Date and as determined by the Calculation Agent, the suspension of and/or limitation of trading in the rate(s) required to calculate such FX Rate (which may be, without limitation, rates quoted on any over-the-counter or quotation-based market, whether regulated or unregulated) for such Valuation Date PROVIDED THAT such suspension or limitation of trading is material in the opinion of the Calculation Agent.

4. **ADDITIONAL ADJUSTMENT EVENTS**

The following Additional Adjustment Events shall apply in respect of an FX Rate:

- (a) after the Trade Date and on or before any relevant payment date, a relevant country has lawfully eliminated, converted, redenominated, or exchanged its currency in effect on the Issue Date or any lawful successor currency thereto (the **Successor Currency**), as the case may be (the **Original Currency**), for a Successor Currency;
- (b) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

UNDERLYING SCHEDULE 9 - FX RATE CONDITIONS

5. ADDITIONAL EARLY REDEMPTION EVENTS

No Additional Early Redemption Events shall apply in respect of FX Rates.

6. ADDITIONAL PROVISIONS

(a) *Corrections of published or announced rates*

Correction Period means, in respect of an FX Rate, five Business Days.

(b) *Certain Published and Displayed Sources*

If any Exchange Rate is published or announced by more than one price source (including the relevant Electronic Page) and the Electronic Page fails to publish or announce that currency exchange rate on any relevant Valuation Date (or, if different, the day on which rates for such Valuation Date would, in the ordinary course, be published or announced on the relevant Electronic Page), then the relevant Underlying Closing Level or Underlying Level (as relevant) for such Valuation Date may be determined as if the applicable Pricing Supplement had specified any other available price source which actually publishes or announces such currency exchange rate on such Valuation Date (or, if different, the day on which rates for such Valuation Date would, in the ordinary course, be published or announced by such price source) as the applicable Electronic Page.

If any Exchange Rate is reported, sanctioned, recognised, published, announced, or adopted (or other similar action) by the relevant Governmental Authority, and such currency exchange rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced, or adopted (or other similar action) by such Governmental Authority (the **Official Successor Rate**), then the Underlying Closing Level or Underlying Level (as applicable) for the relevant Valuation Date may be determined as if the applicable Pricing Supplement had specified any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of that Governmental Authority) on such Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Electronic Page.

(c) *Settlement Disruption*

If, in the opinion of the Calculation Agent, payment of any amount due in respect of the Notes cannot be made by the Issuer in the Specified Currency on any date on which payment is scheduled to be made under the Notes (a **Relevant Scheduled Payment Date**) due to:

- (i) the imposition of laws or regulations by any Governmental Authority of the country for which the Specified Currency is the lawful currency (the **Specified Currency Jurisdiction**) which (a) require non-residents of the Specified Currency Jurisdiction to obtain permission from such central banking authority or other authority to obtain the Specified Currency, or (b) otherwise restrict a non-resident's ability to obtain the Specified Currency, or (c) otherwise regulate the purchase or holding of the Specified Currency by non-residents of the Specified Currency Jurisdiction such that costs are imposed in obtaining the Specified Currency which would not be imposed in the absence of such regulations, or (d) has the direct or indirect effect of hindering, limiting or restricting the transfer of the Specified Currency between non-residents of the Specified Currency Jurisdiction or (e) materially restricts non-residents from transferring the Specified Currency from the Specified Currency Jurisdiction to the country of incorporation of such non-resident; or
- (ii) Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system suspending or ceasing to accept the Specified Currency as a settlement currency; or

UNDERLYING SCHEDULE 9 - FX RATE CONDITIONS

- (iii) the Specified Currency's replacement or disuse or the Specified Currency, or any Successor Currency, no longer being used by the government of the Specified Currency Jurisdiction or for the settlement of transactions by public institutions within the international banking community; or
- (iv) the illiquidity of the Specified Currency in the relevant market; or
- (v) any other circumstances beyond the control of the Issuer (including but not limited to a natural or man-made disaster, armed conflict, act of terrorism, riot or labour disruption),

(each a **Currency Settlement Disruption Event**) then the Issuer shall be entitled to satisfy its obligations to the Noteholders by either (i) delaying any such payment until after the Currency Settlement Disruption Event ceases to exist or (ii) making such payment in United States dollars (**USD**) (such payment converted into USD by reference to such currency exchange rate displayed on such price source or otherwise as the Calculation Agent shall determine) on, or as soon as reasonably practicable (in the opinion of the Calculation Agent) after, the Relevant Scheduled Payment Date. Any such delayed payment or payment in USD will not constitute a default and Noteholders shall not be entitled to further interest or any other payment in respect of any such delay.

PART B

The provisions of this Part B apply where EMTA Provisions are specified as applicable in the applicable Pricing Supplement.

1. DEFINITIONS

Calculation Agent Determination means, in respect of an FX Rate and a Valuation Date, that the Calculation Agent will determine the FX Rate for such Valuation Date taking into consideration all available information that it deems relevant.

Disruption Event means an event that would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining the FX Rate being in respect of an FX Rate, any related First Fallback Reference Rate or any related Second Fallback Reference Rate, as the case may be, the occurrence or existence, as determined by the Calculation Agent, of any Price Source Disruption and/or any Price Materiality, if specified in respect of the FX Rate in the applicable Pricing Supplement.

Exchange Rate means the Reference Currency/Settlement Currency offered rate for the Settlement Currency expressed as the amount of the Reference Currency per one unit of the Settlement Currency for settlement in the Number of Settlement Business Days.

First Fallback Electronic Page means, in respect of the First Fallback Reference Rate, the Electronic Page specified as such in the applicable Pricing Supplement.

First Fallback Reference Rate means, in respect of an FX Rate, the rate (if any) specified as such in the applicable Pricing Supplement, which shall be the Exchange Rate for such FX Rate as reported or, as the case may be, announced, by the First Fallback Rate Source on the First Fallback Electronic Page at approximately the First Fallback Valuation Time (or as soon thereafter as practicable). For which purpose:

First Fallback Rate Source means, in respect of a First Fallback Reference Rate, the source or source(s) specified as such in the applicable Pricing Supplement for such First Fallback Reference Rate which may, for the avoidance of doubt, include any methodology used by such source in determining the relevant rate.

First Fallback Reference Price means, in respect of an FX Rate and a Specified Valuation Date, that the Calculation Agent shall determine the Underlying Closing Level of the relevant FX Rate for such Valuation Date using the First Fallback Reference Rate, unless such rate is subject to a Disruption Event, in which case the FX Rate will be determined in accordance with the provisions of the next applicable Disruption Fallback.

First Fallback Valuation Time means, in respect of the First Fallback Reference Rate, the time specified as such in the applicable Pricing Supplement.

FX Rate means, in respect of each Underlying specified as such in the applicable Pricing Supplement, the Exchange Rate, as reported or, as the case may be, announced, by the FX Rate Source.

FX Rate Source means, in respect of an FX Rate, the source or source(s) specified as such in the applicable Pricing Supplement for such FX Rate which may, for the avoidance of doubt, include any methodology used by such source in determining the relevant rate.

Number of Settlement Business Days means, in respect of an FX Rate and the related Exchange Rate, the number of Reference Currency Business Days specified as such in the applicable Pricing Supplement.

Price Materiality means that, in the determination of the Calculation Agent, either (a) the Primary Rate differs from any Secondary Rate by at the least the Price Materiality Percentage or (b) there are insufficient responses on the Specified Valuation Date to the relevant survey used in calculating the First Fallback Reference Price or, as the case may be, the Second Fallback Reference Price.

Price Materiality Percentage means, in respect of an FX Rate, the percentage specified as such in the applicable Pricing Supplement.

Price Source Disruption means, in the determination of the Calculation Agent, it becomes impossible to obtain the FX Rate, any related First Fallback Reference Rate or any related Second Fallback Reference Rate, as the case may be, on the Specified Valuation Date (or, if different the day on which rates for that Specified Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

Primary Rate means, in respect of an FX Rate, the rate specified as such in the applicable Pricing Supplement.

Reference Currency Business Day means a day on which commercial banks are open (or, but for the occurrence of any Disruption Event, would have been open) for business (including dealing in foreign exchange in accordance with the market practice of the foreign exchange market) in (i) the or each Settlement Currency Business Centre(s) specified in the applicable Pricing Supplement (a Settlement Currency Business Day) and (ii) any of the Reference Currency Business Centre(s) specified in the applicable Pricing Supplement and, for the purposes of the definition of Valuation Date and the occurrence of a Disruption Event, a Reference Currency Business Day will include any day on which commercial banks would have been open but for the occurrence in the jurisdiction of the Reference Currency of a banking moratorium or other similar event related to any Disruption Event.

Second Fallback Reference Rate means, in respect of an FX Rate, the rate (if any) specified as such in the applicable Pricing Supplement, which shall be the Exchange Rate as reported or, as the case may be, announced, by the Second Fallback Rate Source on the Second Fallback Electronic Page at approximately the Second Fallback Valuation Time (or as soon thereafter as practicable). For which purpose:

Second Fallback Rate Source means, in respect of a Second Fallback Reference Rate, the source or source(s) specified as such in the applicable Pricing Supplement for such Second Fallback Reference Rate which may, for the avoidance of doubt, include any methodology used by such source in determining the relevant rate.

Second Fallback Reference Price means, in respect of an FX Rate and a Valuation Date, that the Calculation Agent shall determine the Underlying Closing Level of the relevant FX Rate for such Valuation Date using the Second Fallback Reference Rate, unless such rate is subject to a Disruption Event, in which case the FX Rate will be determined in accordance with the provisions of the next applicable Disruption Fallback.

Second Fallback Valuation Time means, in respect of the Second Fallback Reference Rate, the time specified as such in the applicable Pricing Supplement.

Secondary Rate means, in respect of an FX Rate, the or each rate(s) specified as such in the applicable Pricing Supplement.

UNDERLYING SCHEDULE 9 - FX RATE CONDITIONS

Scheduled Trading Day means, in respect of an FX Rate, a Reference Currency Business Day PROVIDED THAT, where the Reference Currency is Brazilian real ("BRL") and the Settlement Currency is United States dollars ("USD"), if the Specified Valuation Date falls on a day that, as at the Trade Date, is not a Scheduled Currency Business Day, then such day shall be a Scheduled Trading Day notwithstanding that, due to not being an Scheduled Currency Business Day only, it is not a Reference Currency Business Day.

Unscheduled Holiday means, in respect of an FX Rate and a Specified Valuation Date, a day that is not a Reference Currency Business Day and, in the determination of the Calculation Agent, the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the principal financial centre of the Reference Currency two Reference Currency Business Days prior to the Specified Valuation Date.

Valuation Postponement means, in respect of an FX Rate and a Specified Valuation Date, that if the relevant Disruption Event is (i) a Price Source Disruption, the Underlying Closing Level will be determined on the Reference Currency Business Day first succeeding the day on which the Price Source Disruption ceases to exist unless, subject to the provisions of FX Rate Condition 6(d) (*Cut-off Valuation Date for cumulative events*) below, the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for the number of Maximum Days of Postponement. In such event, the FX Rate will be determined on the next Reference Currency Business Day after the day falling the Maximum Days of Postponement (and such date shall be deemed to be the Valuation Date) in accordance with the provisions set out in the next applicable Disruption Fallback or (ii) if the relevant Disruption Event is a Price Materiality, the FX Rate will be determined in accordance with the provisions set out in the next applicable Disruption Fallback.

2. VALUATION

(a) *Closing Valuations*

Underlying Closing Level means, in respect of a Valuation Date, the FX Rate for such Valuation Date as displayed on the applicable Electronic Page(s) at approximately the Valuation Time (or as soon thereafter as practicable) on the Valuation Date, all as determined by the Calculation Agent.

(b) *Intraday Valuations*

Underlying Level does not apply to an FX Rate that is an EMTA Rate.

(c) *Valuation Time*

Valuation Time means, in respect of an FX Rate, the time specified for such FX Rate in the applicable Pricing Supplement.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of an FX Rate, any Scheduled Trading Day for such FX Rate on which a Disruption Event has occurred and is continuing.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Event shall apply in respect of an FX Rate: any Relevant Rate which as of the Trade Date is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by the relevant Governmental Authority and any such Relevant Rate ceases to

exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by such Governmental Authority (the **Official Successor Rate**), then in which event the Relevant Rate will be determined as provided herein by reference to such Official Successor Rate and the price source which publishes or announces (or, but for the occurrence of a Disruption Event, would have published or announced) such Official Successor Rate (including, but not limited to, an official publication of that Governmental Authority).

For the purposes of the above, **Governmental Authority** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of financial markets (including the central bank) of the jurisdiction of the Reference Currency.

Relevant Rate means, in respect of an FX Rate, the FX Rate, any First Fallback Reference Rate and any Second Fallback Reference Rate.

5. ADDITIONAL EARLY REDEMPTION EVENTS

No Additional Early Redemption Events shall apply in respect of FX Rates.

6. ADDITIONAL PROVISIONS

(a) *Correction of published or announced prices or levels*

Unless Correction Provisions are specified as applicable in respect of an FX Rate the applicable Pricing Supplement, the provisions of Condition 7(j) (*Realisation Disruption*) of the General Conditions do not apply in respect of an FX Rate.

(b) *Scheduled Trading Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions (*Adjustments to Valuation Dates (Scheduled Trading Days)*) does not apply in respect of an FX Rate.

If a Specified Valuation Date is not a Scheduled Trading Day for an FX Rate then the Valuation Date shall be the Scheduled Trading Day falling first preceding such Specified Valuation Date EXCEPT, in the event of the occurrence of an Unscheduled Holiday on such Specified Valuation Date, in which case the Valuation Date shall be the Scheduled Trading Day falling first succeeding such Scheduled Trading Day, subject as follows and as provided in Condition 6(d) (*Cut-off Valuation Date for cumulative events*) of the Part B of the FX Rate Conditions below.

If a Specified Valuation Date is postponed due to the occurrence of an Unscheduled Holiday on a Scheduled Trading Day as provided above and the Valuation Date has not occurred on or before the day falling the Maximum Days of Postponement after the Specified Valuation Date (any such period being a **Deferral Period**), then the next day after the Deferral Period that would have been a Scheduled Trading Day but for the occurrence of an Unscheduled Holiday, shall be deemed to be the Valuation Date, unless such day is a Disrupted Day for the FX Rate, in which case the provisions of Condition 6(c) (*Disrupted Day*) of Part B of the FX Rate Conditions below will apply.

Where "Move In Block" is specified in the applicable Pricing Supplement in relation to adjustments to Scheduled Trading Days, then the adjustment provisions above prevail and consequently all references to "for all of the Underlyings" and "for any of the Underlyings" in Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*)

UNDERLYING SCHEDULE 9 - FX RATE CONDITIONS

of the General Conditions (*Adjustments to Valuation Dates (Scheduled Trading Days)*) shall be construed not to include any Underlying that is an FX Rate.

(c) *Disrupted Day*

The provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) and Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions do not apply in respect of an FX Rate.

If any Specified Valuation Date(s) (if applicable, adjusted in accordance with the provisions of Condition 6(b) (*Scheduled Trading Day*) of Part B of the FX Rate Conditions above) is a Disrupted Day for an FX Rate, then, in order to determine the Underlying Closing Level of such FX Rate for such Valuation Date, the Underlying Closing Level shall be determined in accordance with the first applicable Disruption Fallback (applied in accordance with its terms) which provides the Underlying Closing Level of such FX Rate for such Valuation Date.

Where the applicable Disruption Fallback is a Disruption Fallback other than Valuation Postponement, the relevant Specified Valuation Date shall not be adjusted in relation to such FX Rate, the Disruption Fallback provisions set out below shall apply thereto and the provisions of Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall only apply in relation to Underlying(s) other than such FX Rate (if any). For the avoidance of doubt, where "Move In Block" is specified in the applicable Pricing Supplement in relation to adjustments to Disrupted Days, then the adjustment provisions above prevail and consequently all references to "for all of the Underlyings" in Condition 7(d)(ii) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions shall be construed not to include any Underlying that is an FX Rate.

If an Underlying Closing Level of an FX Rate is to be determined on a day which is a Disrupted Day or is not a Scheduled Trading Day for such FX Rate, then the next applicable Disruption Fallback will apply.

(d) *Cut-off Valuation Date for cumulative events*

Notwithstanding the cut-off provisions set out in the definition of Valuation Postponement and in Condition 6(c) (*Disrupted Day*) of Part B of the FX Rate Conditions above, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed the Maximum Days of Postponement in the aggregate.

Accordingly, (x) if upon the lapse of the Maximum Days of Postponement in the aggregate, an Unscheduled Holiday shall have occurred or be continuing on the day following the Maximum Days of Postponement, then such day shall be deemed to be the Valuation Date and (y) if, upon the lapse of the Maximum Days of Postponement in the aggregate, a Price Source Disruption shall have occurred or be continuing on the day following the Maximum Days of Postponement, such date shall be deemed to be the Valuation Date and the relevant FX Rate shall be determined in accordance with the next Disruption Fallback.

The Cut-off Valuation Date provisions set out in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions do not apply to an Underlying that is an FX Rate and, accordingly, pursuant to the above provisions, a scheduled date for payment of any amount or, as the case may be, delivery of any assets in respect of the Notes will be deferred, if later, until the Number of Settlement Business Days following the Valuation Date and such Cut-off Valuation

Date provisions shall only apply to any Underlying other than an FX Rate (save as otherwise provided in the relevant Underlying Schedule applicable to any such Underlying).

(e) *Settlement Disruption*

Where Settlement Disruption is specified as applicable in the applicable Pricing Supplement and if, in the opinion of the Calculation Agent, payment of any amount due in respect of the Notes cannot be made by the Issuer in the Specified Currency on any date on which payment is scheduled to be made under the Notes (a **Relevant Scheduled Payment Date**) due to:

- (i) the imposition of laws or regulations by any Governmental Authority of the country for which the Specified Currency is the lawful currency (the **Specified Currency Jurisdiction**) which (a) require non-residents of the Specified Currency Jurisdiction to obtain permission from such central banking authority or other authority to obtain the Specified Currency, or (b) otherwise restrict a non-resident's ability to obtain the Specified Currency, or (c) otherwise regulate the purchase or holding of the Specified Currency by non-residents of the Specified Currency Jurisdiction such that costs are imposed in obtaining the Specified Currency which would not be imposed in the absence of such regulations, or (d) has the direct or indirect effect of hindering, limiting or restricting the transfer of the Specified Currency between non-residents of the Specified Currency Jurisdiction or (e) materially restricts non-residents from transferring the Specified Currency from the Specified Currency Jurisdiction to the country of incorporation of such non-resident; or
- (ii) Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system suspending or ceasing to accept the Specified Currency as a settlement currency; or
- (iii) the Specified Currency's replacement or disuse or the Specified Currency, or any Successor Currency, no longer being used by the government of the Specified Currency Jurisdiction or for the settlement of transactions by public institutions within the international banking community; or
- (iv) the illiquidity of the Specified Currency in the relevant market; or
- (v) any other circumstances beyond the control of the Issuer (including but not limited to a natural or man-made disaster, armed conflict, act of terrorism, riot or labour disruption),

(each a **Currency Settlement Disruption Event**) then the Issuer shall be entitled to satisfy its obligations to the Noteholders by either (i) delaying any such payment until after the Currency Settlement Disruption Event ceases to exist or (ii) making such payment in United States dollars (**USD**) (such payment converted into USD by reference to such currency exchange rate displayed on such price source or otherwise as the Calculation Agent shall determine) on, or as soon as reasonably practicable (in the opinion of the Calculation Agent) after, the Relevant Scheduled Payment Date. Any such delayed payment or payment in USD will not constitute a default and Noteholders shall not be entitled to further interest or any other payment in respect of any such delay.

UNDERLYING SCHEDULE 10
PROPRIETARY INDEX CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Proprietary Index".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Proprietary Indices.

1. DEFINITIONS

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Component means, in respect of a Proprietary Index, each component index, security, commodity or other asset included in such Proprietary Index.

Index Conditions means, in respect of a Proprietary Index, the terms and conditions of the relevant Proprietary Index from time to time, as published by the relevant Index Sponsor.

Index Sponsor means, in respect of a Proprietary Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Proprietary Index; and (b) announces (directly or through an agent) the level of such Proprietary Index on a regular basis.

Proprietary Index means each Underlying classified as such in the applicable Pricing Supplement.

Scheduled Trading Day means, in respect of a Proprietary Index and unless otherwise specified in the applicable Pricing Supplement, a day for which the level of the Proprietary Index is scheduled to be calculated, however described in the relevant Index Conditions and as determined by the Calculation Agent.

Successor Index shall have the meaning given to it in Condition 4 (*Additional Adjustment Events*) of the Proprietary Index Conditions.

Tax Disruption means, in respect of a Component, the imposition of, change in or removal of a Relevant Tax by any relevant government or taxing authority after the Trade Date, if the direct effect of such imposition, change or removal is to increase or decrease the level of the Proprietary Index on a day which would otherwise be a Valuation Date from what it would have been without such imposition, change or removal. For these purposes, **Relevant Tax** means, in respect of a Component or other asset relating to such Component, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or other similar tax on, or measured by reference to, such Component or other asset (other than a tax on, or measured by reference to, overall gross or net income).

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Proprietary Index and a Valuation Date, the official closing level of such Proprietary Index on such Valuation Date or, where the level of such Proprietary Index is only published once in respect of any day, the level of such Proprietary Index either (a) where Same Day Publication is specified as applicable in the applicable Issue Terms, on

such Valuation Date (and in which circumstances, where the level of such Proprietary Index is published on a succeeding Scheduled Trading Day, the level for that Valuation Date will have been the level calculated for the Proprietary Index for or in respect of a preceding Scheduled Trading Day) or (b) where Same Day Publication is not specified as applicable in the applicable Issue Terms, for such Valuation Date (and in which circumstances the level for that Valuation Date may be published on a succeeding Scheduled Trading Day), on the applicable Electronic Page. The level of the relevant Proprietary Index for a Valuation Date may be published on a succeeding Scheduled Trading Day.

(b) *Intraday valuations*

Underlying Level means, in respect of a Proprietary Index and a Valuation Date, the level of such Proprietary Index observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Proprietary Index, any Scheduled Trading Day for such Proprietary Index for or on, as determined by the Calculation Agent, which the relevant Index Sponsor fails to publish the level of such Proprietary Index.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Proprietary Index:

- (a) such Proprietary Index is either (i) not calculated and announced by or on behalf of the relevant Index Sponsor but instead is calculated and announced by or on behalf of a successor to such relevant Index Sponsor acceptable to the Calculation Agent; or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Proprietary Index (such index, the Successor Index, which will be deemed to be such Proprietary Index);
- (b) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement;
- (c) if "Tax Disruption" is specified as applicable in the applicable Pricing Supplement, the Calculation Agent determines that (i) a Tax Disruption has occurred or exists; and (ii) such Tax Disruption is material.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Proprietary Index: the Calculation Agent determines that no calculation, adjustment or substitution can reasonably be made under Condition 6(b) (*Modification, disruption or cancellation of a Proprietary Index and Proprietary Index Substitution*) of the Proprietary Index Conditions.

6. ADDITIONAL PROVISIONS

(a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Proprietary Index, 30 calendar days.

For the avoidance of doubt, if pursuant to the provisions of Condition 6(c) (*Determination of the Underlying Closing Level of a Proprietary Index on a Disrupted Day*) of the Proprietary Index

UNDERLYING SCHEDULE 10 - PROPRIETARY INDEX CONDITIONS

Conditions, the level of a Proprietary Index published for a Valuation Date is disregarded by the Calculation Agent, any correction of the level of the relevant Proprietary Index which has been disregarded shall also be disregarded.

(b) *Modification, disruption or cancellation of a Proprietary Index and Proprietary Index Substitution*

(A) *Proprietary Index Adjustment Events*

If, in respect of a Proprietary Index, (i) on or prior to any Valuation Date, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the level of such Proprietary Index or in any other way materially modifies such Proprietary Index (other than a modification prescribed in that formula or method to maintain such Proprietary Index in the event of changes in relevant Components and other routine events) (a **Proprietary Index Modification**); or (ii) on or prior to any Valuation Date, the relevant Index Sponsor at any time permanently cancels such Proprietary Index and no Successor Index (as defined in Condition 4 (*Additional Adjustment Events*) of the Proprietary Index Conditions) exists (a **Proprietary Index Cancellation**); or (iii) on or prior to any Valuation Date the relevant Index Sponsor or any person or entity on its behalf fails to calculate and announce such Proprietary Index (a **Proprietary Index Disruption**, and together with a Proprietary Index Modification and a Proprietary Index Cancellation, a **Proprietary Index Adjustment Event**), then the Calculation Agent shall determine if such Proprietary Index Adjustment Event has a material effect on the Notes, and if so, shall either:

- (i) calculate the relevant level of such Proprietary Index at the relevant time on such Valuation Date using, in lieu of a published level for such Proprietary Index, the level of such Proprietary Index at the relevant time on such Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating the level of such Proprietary Index last in effect prior to the occurrence of such Proprietary Index Adjustment Event but using only those Components which comprised such Proprietary Index immediately prior to the occurrence of such Proprietary Index Adjustment Event and, for which purpose, any determination of the value of any Component shall be made by reference to such source(s) as the Calculation Agent determines appropriate; and/or
- (ii) substitute such Proprietary Index as provided in Condition 6(b)(B) (*Proprietary Index Substitution*) of the Proprietary Index Conditions and make such adjustments (if any) to the Terms and Conditions and/or the applicable Pricing Supplement as it deems necessary or appropriate in relation to such substitution; and/or
- (iii) make such adjustments to the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for the effect of such Proprietary Index Adjustment Event and determine the effective date of each such adjustment.

If no calculation, substitution and/or adjustment can reasonably be made pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Proprietary Index Conditions shall apply.

(B) *Proprietary Index Substitution*

Any substitution made by the Calculation Agent pursuant to Condition 6(b)(A)(ii) (*Proprietary Index Adjustment Events*) of the Proprietary Index Conditions shall be, and any adjustment made by the Calculation Agent in response to an Adjustment Event may include, a Proprietary Index Substitution.

Proprietary Index Substitution means, in relation to a Proprietary Index Adjustment Event or an Adjustment Event, the replacement of a Proprietary Index the subject of such Proprietary Index Adjustment Event or Adjustment Event, as the case may be, with a new index selected by the Calculation Agent (which shall be a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such Proprietary Index or a replacement index selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement). Such new index shall be deemed to be a Proprietary Index in place of the Proprietary Index the subject of the Proprietary Index Adjustment Event or the Adjustment Event, as the case may be.

(c) *Determination of the Underlying Closing Level of a Proprietary Index on a Disrupted Day*

Condition 7(e) (*Adjustments to Valuation Dates (Calculation Agent's determination of Underlying Closing Levels)*) of the General Conditions applies.

(d) *Determination of the Underlying Closing Level of a Proprietary Index on a Component Disrupted Day*

This Condition 6(d) (*Determination of the Underlying Closing Level of a Proprietary Index on a Component Disrupted Day*) of the Proprietary Index Conditions shall only apply where "Component Valuation" is specified as applicable in the applicable Pricing Supplement.

Where Component Valuation is specified as applicable in the applicable Pricing Supplement, if a Valuation Date for a Proprietary Index (i) is not a Component Scheduled Trading Day or (ii) is a Component Disrupted Day, in either case, in respect of one or more of the Components of such Proprietary Index (each such Component, an **Affected Component** and each such date an **Affected Valuation Date**), then any level of the Proprietary Index published for such Valuation Date may be disregarded by the Calculation Agent and the Underlying Closing Level for such Valuation Date may be determined by the Calculation Agent as the level of such Proprietary Index for such Valuation Date determined in accordance with the then-current methodology for calculating the level of the Proprietary Index, but using:

- (i) with respect to each Component which is not an Affected Component, the price, level or value of each such Component at the relevant time on the relevant Affected Valuation Date; and
- (ii) with respect to each Affected Component, the price, level or value for each such Affected Component at the relevant time on the earlier of (i) the first succeeding Component Scheduled Trading Day for such Affected Component immediately following the relevant Affected Valuation Date that is not a Component Disrupted Day for such Affected Component and (ii) the Component Scheduled Trading Day which is the Component Valuation Roll number of Component Scheduled Trading Days for such Component immediately following the relevant Affected Valuation Date,

PROVIDED THAT if, pursuant to the above, the relevant Valuation Date for any Component determined as provided above would otherwise fall on a day falling after the second Component Scheduled Trading Day prior to the date on which a relevant payment is scheduled to be made under the Notes (the **Component Cut-off Date**), such Valuation Date for such Affected Component shall be deemed to be the Component Cut-off Date (notwithstanding that such date either (A) is not a Component Scheduled Trading Day for such Component or (B) is a Component Disrupted Day for such Component) and the provisions of paragraph (iii) below shall apply;

UNDERLYING SCHEDULE 10 - PROPRIETARY INDEX CONDITIONS

- (iii) if the Valuation Date for any Component (as determined in accordance with paragraph (ii) above) is a Component Disrupted Day for such Component or is determined to occur on the Component Cut-off Valuation Date (as provided in paragraph (b) above), then the Calculation Agent shall determine the price, level or value of the relevant Component in the manner (as specified in the relevant Index Conditions) in which the price, level or value of such disrupted Component would be determined on a date which is a Component Disrupted Day for such Component (for the avoidance of doubt, without regard to any valuation roll).

For the purposes hereof:

Component Disrupted Day means, in respect of a Component and unless otherwise specified in the applicable Pricing Supplement, a day on which the price, level or value of such Component and/or any sub-component of such Component and/or any related futures contracts, options contracts or securities (each a **Relevant Component**) is not published (or publication is delayed) and/or cannot be determined and/or is otherwise disrupted (including, without limitation, by way of a suspension, limitation and/or disruption of trading in the Relevant Component and/or the failure to open or the early closure of any relevant exchange), however described in the relevant Index Conditions and as determined by the Calculation Agent.

Component Scheduled Trading Day means, in respect of a Component and unless otherwise specified in the applicable Pricing Supplement, a day on which the price, level or value of such Component is scheduled to be determined, however described in the relevant Index Conditions and as determined by the Calculation Agent.

Component Valuation Roll means the number specified as such in the applicable Pricing Supplement or, if no number is so specified, eight.

UNDERLYING SCHEDULE 11

DIVIDEND FUTURES CONTRACT CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Pricing Supplement as a "Dividend Futures Contract".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Dividend Futures Contracts.

1. DEFINITIONS

Additional Disruption Event means any event specified in the applicable Pricing Supplement.

Dividend Futures Contract means each Underlying classified as such in the applicable Pricing Supplement.

Dividend Futures Contract Sponsor means, in respect of a Dividend Futures Contract, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Dividend Futures Contract; and (b) announces (directly or through an agent) the price of such Dividend Futures Contract on a regular basis.

Exchange means, in respect of a Dividend Futures Contract, the exchange or principal trading facility specified for such Dividend Futures Contract in the applicable Pricing Supplement or any successor to such exchange or principal trading facility.

Expiry Date means, in respect of a Dividend Futures Contract and a Valuation Date, where the Relevant Price for such Valuation Date is specified to be the "final settlement price" of such Dividend Futures Contract in the applicable Issue Terms, the expiry date of such Dividend Futures Contract on which the "final settlement price" of such Dividend Futures Contract is expected to be announced by the Dividend Futures Contract Sponsor and published on the Exchange) or, if such "final settlement price" is not so announced and published but, on or prior to such originally designated expiry date, the relevant Dividend Futures Contract Sponsor has announced arrangements for the publication of such "final settlement price" on another date, such other date.

Relevant Price means in respect of a Dividend Futures Contract and a Valuation Date, the "daily settlement price" or the "final settlement price", in each case, however defined in the contract specifications of such Dividend Futures Contract or the relevant Exchange, as the case may be.

Scheduled Trading Day means, in respect of a Dividend Futures Contract, any day on which the relevant Exchange is scheduled to be open for trading for its regular trading session notwithstanding such Exchange closing prior to its scheduled closing time.

2. VALUATION

Underlying Closing Level means, in respect of a Dividend Futures Contract and a Valuation Date, the Relevant Price for the relevant Valuation Date as displayed on the relevant Electronic Page or, if such Relevant Price is not displayed on the relevant Electronic Page on the relevant Valuation Date, the Relevant Price of such Dividend Futures Contract for such Valuation Date as published by the relevant Exchange.

UNDERLYING SCHEDULE 11 - DIVIDEND FUTURES CONTRACT CONDITIONS

Valuation Time means, in respect of an Underlying Closing Level and a Dividend Futures Contract, the time at which the relevant price referred to for the purpose of such Underlying Closing Level of such Dividend Futures Contract for such day is calculated and published by the relevant Dividend Futures Contract Sponsor.

Underlying Level shall not apply to a Dividend Futures Contract unless otherwise specified in the applicable Pricing Supplement.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Dividend Futures Contract, any Scheduled Trading Day for such Dividend Futures Contract on which:

- (i) the relevant Dividend Futures Contract Sponsor fails to announce the Relevant Price;
- (ii) the relevant Electronic Page and the relevant Exchange each fail to publish the Relevant Price of the Dividend Futures Contract (or other data from which such Relevant Price is calculated);
- (iii) the relevant Electronic Page is temporarily or permanently discontinued or unavailable;
- (iv) the relevant Exchange fails to open for trading during its regular trading session; or
- (v) there is a suspension of or limitation on trading in such Dividend Futures Contract on the relevant Exchange (which, in either case, the Calculation Agent determines is material).

The definition of Disrupted Day and the provisions relating to Disrupted Days in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions will not apply in respect of a Dividend Futures Contract and a Valuation Date if the Relevant Price for such Valuation Date is specified to be the "final settlement price" of such Dividend Futures Contract in the applicable Pricing Supplement and the Conditions shall be construed accordingly.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events apply in respect of a Dividend Futures Contract:

- (i) such Dividend Futures Contract is either (a) not calculated and announced by or on behalf of the relevant Dividend Futures Contract Sponsor but instead is calculated and announced by or on behalf of a successor to such relevant Dividend Futures Contract Sponsor acceptable to the Calculation Agent; or (b) replaced, as relevant, by a successor dividend futures contract using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Dividend Futures Contract (such dividend futures contract, the **Successor Dividend Futures Contract**, which will be deemed to be such Dividend Futures Contract); and
- (ii) each Additional Disruption Event (if any) specified in the applicable Pricing Supplement.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Dividend Futures Contract: the Calculation Agent determines that no calculation, adjustment or substitution can reasonably be made under Condition 6(b) (*Modification, cancellation or disruption of a Dividend Futures Contract and Dividend Futures Contract Substitution*) of the Dividend Futures Contract Conditions.

6. ADDITIONAL PROVISIONS

(a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Dividend Futures Contract, two Business Days.

(b) *Modification, cancellation or disruption of a Dividend Futures Contract and Dividend Futures Contract Substitution*

(A) *Dividend Futures Contract Adjustment Event*

If, in respect of a Dividend Futures Contract, (i) on or prior to any Valuation Date, the relevant Exchange and/or Dividend Futures Contract Sponsor, as the case may be, announces that it will make a material change in the formula for or the method of calculating any price of such Dividend Futures Contract or in any other way materially modifies such Dividend Futures Contract, including any material change in the content, composition or constitution of such Dividend Futures Contract (a **Dividend Futures Contract Modification**); or (ii) on or prior to any Valuation Date, the relevant Exchange and/or Dividend Futures Contract Sponsor, as the case may be, at any time permanently cancels or discontinues such Dividend Futures Contract or there is otherwise a permanent discontinuation in trading or trading never commences in such Dividend Futures Contract and, in each such case, no Successor Dividend Futures Contract exists (a **Dividend Futures Contract Cancellation**); or (iii) on any Valuation Date for which the Relevant Price is specified to be the "final settlement price" in the applicable Pricing Supplement, such Relevant Price is not displayed or published on the relevant Electronic Page or by the Exchange, as the case may be, at the relevant Valuation Time (a **Dividend Futures Contract Disruption**, and together with a Dividend Futures Contract Modification and a Dividend Futures Contract Cancellation, a **Dividend Futures Contract Adjustment Event**), then the Calculation Agent shall determine if such Dividend Futures Contract Adjustment Event has a material effect on the Notes and, if so, shall either:

- (i) calculate the relevant price of such Dividend Futures Contract at or for the relevant Valuation Time on such Valuation Date using, in lieu of the published Relevant Price for such Dividend Futures Contract, a price for such Dividend Futures Contract at or for the relevant Valuation Time on such Valuation Date as determined by the Calculation Agent by calculating the value of the relevant dividends for the applicable contract period for such Dividend Futures Contract by reference to the formula for and the method of calculation last in effect of any related dividend point index or such other sources as it deems appropriate;
- (ii) make such adjustments to the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines necessary or appropriate to account for the effect of such Dividend Futures Contract Adjustment Event and determine the effective date of each such adjustment; and/or
- (iii) substitute such Dividend Futures Contract as provided in Condition 6(b)(B) (*Dividend Futures Contract Substitution*) of the Dividend Futures Contract Conditions and make such adjustments (if any) to the Terms and Conditions and/or the applicable Pricing Supplement to as it deems necessary or appropriate in relation to such substitution.

If no calculation, adjustment and/or substitution can reasonably be made pursuant to the above, the provisions of Condition 5 (*Additional Early Redemption Events*) of the Dividend Futures Contract Conditions shall apply.

UNDERLYING SCHEDULE 11 - DIVIDEND FUTURES CONTRACT CONDITIONS

(B) *Dividend Futures Contract Substitution*

Any adjustment made by the Calculation Agent pursuant to Condition 6(b)(A)(iii) (*Dividend Futures Contract Adjustment Event*) of the Dividend Futures Contract Conditions shall be, and any adjustment made by the Calculation Agent in response to an Adjustment Event may include, a Dividend Futures Contract Substitution.

Dividend Futures Contract Substitution means, in relation to a Dividend Futures Contract Adjustment Event or an Adjustment Event, the replacement of the Dividend Futures Contract the subject of such Dividend Futures Contract Adjustment Event or Adjustment Event, as the case may be, with a new dividend futures contract selected by the Calculation Agent (which shall be a replacement dividend futures contract using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the Dividend Futures Contract or a replacement dividend futures contract selected by the Calculation Agent in accordance with any other criteria specified in the applicable Pricing Supplement). Such new dividend futures contract shall be deemed to be a Dividend Futures Contract in place of the Dividend Futures Contract the subject of the Dividend Futures Contract Adjustment Event or Adjustment Event, as the case may be.

(c) *Determination of the Underlying Closing Level of a Dividend Futures Contract on a Disrupted Day or on the Cut-off Valuation Date*

(A) *Determination of the Underlying Closing Level of a Dividend Futures Contract on a Disrupted Day*

Where the Relevant Price for a Valuation Date is not specified to be the "final settlement price" in the applicable Pricing Supplement, Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions applies.

(B) *Determination of the Underlying Closing Level of a Dividend Futures Contract on the Cut-off Valuation Date*

If the Relevant Price for a Valuation Date is specified to be the "final settlement price" in the applicable Pricing Supplement and, in accordance with the provisions of Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions and the applicable Pricing Supplement, the relevant Valuation Date would otherwise fall on a day falling after the second Scheduled Trading Day for such Dividend Futures Contract prior to the date on which a relevant payment is scheduled to be made under the Notes (the **Cut-off Valuation Date**), such Valuation Date shall be deemed to be the Cut-off Valuation Date and the Calculation Agent shall determine the Underlying Closing Level of the Dividend Futures Contract for such Valuation Date by calculating the value of the relevant dividends for the applicable contract period for such Dividend Futures Contract by reference to the formula for and the method of calculation last in effect of any related dividend point index or such other sources as it deems appropriate.

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NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

SECURED NOTE PROGRAMME

Serenade Investment Corporation SA

(a public limited liability company (société anonyme)

incorporated under the laws of the Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register under number B. 169 602 and acting in respect of the []-[] Compartment)
(the Issuer)

**[Title of relevant Tranche of Notes (specifying type of Notes)] (the Notes)
issued pursuant to the Secured Note Programme**

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer and any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent such amendments have been implemented in the relevant Member State of the European Economic Area.

The Notes [and the Notes Guarantee] have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and no person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act, as amended (the **CEA**) and the rules of the U.S. Commodity Futures Trading Commission thereunder (the **CFTC Rules**). Furthermore, the Issuer has not registered and will not register as an "investment company" under the U.S. Investment Company Act of 1940, as amended. Consequently, the Notes may not be offered, sold, pledged, resold, delivered or otherwise transferred except in an "offshore transaction" (as such term is defined under Regulation S under the Securities Act (**Regulation S**)) to persons that: (1) are not "U.S. persons" (as such term is defined under Rule 902(k)(1) of Regulation S); (2) do not come within any definition of U.S. person for any purpose under the CEA or any CFTC rule, guidance or order proposed or issued by the CFTC under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person); (3) are not, and whose purchasing and holding of the Notes is not made on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), a plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; and (4) are not "United States persons" within the meaning of Section 7701(a)(30) of the Code (any such person falling within (1), (2), (3) and (4) immediately above, a **Permitted Purchaser**). If a Permitted Purchaser

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acquiring the Notes is doing so for the account or benefit of another person, such other person must also be a Permitted Purchaser. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the CEA and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the CEA. For a description of certain restrictions on offers, sales and transfers of Notes, see "*Subscription, Sale and Transfer Restrictions*" in the Offering Circular together with any Additional Selling Restrictions contained in item 8 of Part B below. Each purchaser and transferee of the Notes will be deemed to have made certain acknowledgments, representations and agreements as set out in the section titled "*Notice to Investors*" in the Offering Circular.

The Notes will initially be represented by a global note in registered form (a **Global Note**), which is registered in the name of a common nominee for, and has been deposited with, a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in the Global Note may not at any time be offered or sold to, or for the account or benefit of, any person other than a Permitted Purchaser or held at any time otherwise than through Euroclear or Clearstream, Luxembourg and the Global Note will bear a legend regarding such restrictions on transfer.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth under the section[s] entitled "*Terms and Conditions of the Notes*" [and the Underlying Schedule[s] applicable to [the/each] Underlying] in the Offering Circular.

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

For the purposes hereof, **Offering Circular** means the Offering Circular relating to the Programme dated 12 March 2015, including all documents incorporated by reference therein and as supplemented by the Offering Circular Supplements (if any) dated prior to the Issue Date (the **Supplements**).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth under the section[s] entitled "*Terms and Conditions of the Notes*" [and the Underlying Schedule[s] applicable to [the/each] Underlying] in the Offering Circular, which are incorporated by reference in the Current Offering Circular.

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Current Offering Circular, including the Terms and Conditions which are incorporated by reference in the Current Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular and the Current Offering Circular.

For the purposes hereof, **Offering Circular** means the Offering Circular relating to the Programme dated 12 March 2015, as supplemented by the Offering Circular Supplements (if any) dated prior to the Issue Date of the first Tranche of the Notes (the **Supplements**).

For the purposes hereof, **Current Offering Circular** means the Offering Circular relating to the Programme dated [], including all documents incorporated by reference therein and as supplemented by the Offering Circular Supplements (if any) dated prior to the Issue Date of Tranche [] of the Notes (the **Supplements to the Current Offering Circular**).

The [Offering Circular/Base Prospectus] [and the Current Offering Circular] [is/are] available for viewing at the specified office of each Paying Agent and on the web-site of the Luxembourg Stock Exchange (www.bourse.lu). [In addition, this Pricing Supplement is available [on the web-site of the Luxembourg Stock Exchange (www.bourse.lu).]

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

1. (i) Issuer: Serenade Investment Corporation SA
 - (ii) Issuer Credit Enhancer and [name and address][Not Applicable]
specified office:
(If an Issuer Credit Enhancer is appointed in respect of any Notes and the relevant Notes Guarantee is an unconditional and irrevocable guarantee, then, where the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, the requirements of the Rules and Regulations of the Luxembourg Stock Exchange must be complied with and a drawdown prospectus prepared. Where the Notes are listed on any other stock exchange, the requirements of the rules of the relevant stock exchange must be complied with)
 - (iii) Counterpart[y][ies] and specified [name and address][Not Applicable]
office:
 - (iv) Credit Support Provider and [name and address][Not Applicable]
specified office:
 - (v) Original Trustee and specified Citicorp Trustee Company Limited, Citigroup Centre,
office: Canada Square, Canary Wharf, London E14 5LB
 - (vi) Trustee and specified office: [Citicorp Trustee Company Limited, Citigroup Centre,
Canada Square, Canary Wharf, London E14 5LB/specify
other]
 - (vii) Calculation Agent and specified [Citigroup Global Markets Limited][Citibank N.A.],
office: Citigroup Centre, Canada Square, Canary Wharf,
London E14 5LB/specify other]
 2. (i) Series Number: []
 - (ii) Class of Notes: []
 - (iii) Details of the Notes to which []
this Class of Notes relates:
 - (iv) Tranche Number: []
- (If fungible with an existing Class and/or Series, details of that Class and/or Series, including the date on which the Notes become fungible)*

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3. Specified Currency or Currencies: []
4. Aggregate Principal Amount:
- (i) Class: []
 - (ii) Tranche: []
 - (iii) Series: []
5. Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)].
6. (a) Specified Denomination(s): []
- (this means the minimum integral amount in which transfers can be made)* *(If the Notes have more than one Specified Denomination, then payments should be specified on the basis of each relevant Specified Denomination)*
- (If the Notes have a maturity of less than one year, the minimum denomination may need to be £100,000 or its equivalent in any other currency)*
- (b) Minimum trading size: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [Issue Date/Not Applicable]
8. Maturity Date: [Specify date or for Floating Rate Notes Interest Payment Date falling in or nearest to the relevant month and year]
9. Type of Notes:
- (i) [Fixed Rate/Floating Rate/Zero Coupon/Dual Currency/Underlying Linked/specify other]
 - (ii) [The Notes relate to the Underlying(s) specified in item 38 below]
 - (iii) The Notes are [Cash Settlement Notes/Physical Settlement Notes]
10. Interest Basis:
- [Fixed Rate. The Notes bear interest as specified in item 16 below]
- [Floating Rate. The Notes bear interest as specified in item 17 below]
- [Zero Coupon]
- [Underlying Linked Interest. The Notes bear interest as specified in item 19 and item 38 below]
- [Dual Currency Interest]
- [Specify]
- (further particulars specified below)

- [The Notes do not bear or pay any interest]
11. Redemption/Payment Basis: [Redemption at par]
[Underlying Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Other (*specify*)]
12. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*] [Not Applicable]
13. Put/Call Options: [Issuer Call as specified in item 21 below]
[Investor Put as specified in item 22 below]
[Not Applicable]
14. (a) Status of the Notes: Senior secured
- (b) Date Board approval for issuance of Notes obtained: [*specify*]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Rate(s): [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [*specify Business Day Convention*]/not adjusted]
- (iii) Interest Period End Date(s): [Interest Payment Date(s)/[] in each year [adjusted in accordance with [*specify Business Day Convention*] / not adjusted]]
- (iv) Interest Amount(s): [] per Specified Denomination
- (v) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Interest Amount*]
- (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/ *other*]
- (vii) [Determination Date(s): [] in each year
- (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (only relevant where Day Count Fraction*

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is Actual/Actual (ICMA)).]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable]

17. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Interest Period End Date(s): [Interest Payment Date(s) / [] in each year [adjusted in accordance with [specify Business Day Convention]/not adjusted]]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[other (give details)]]
- (iv) Manner in which the Interest Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/[other (give details)]]
- (v) Party responsible for calculating the Interest Rate and Interest Amount: [The Calculation Agent][The Agent Bank]
- (vi) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: []
- (Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
- Interest Determination Date(s): []
- (Second day on which commercial banks are open for business (including dealing in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions

appropriately)

- (vii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum (*or insert details of any rate multiplier*)
- (ix) Minimum Interest Rate: [[] per cent. per annum/zero/Not Applicable]
- (x) Maximum Interest Rate: [[] per cent. per annum/Not Applicable]
- (xi) Day Count Fraction: [Actual/Actual / Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360/360/360/Bond Basis
30E/360/Eurobond Basis
30E/360 (ISDA)
Other]
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: []
(Include details of Interest Determination Date(s), any Reference Banks, the Specified Time, the Relevant Interbank Market, details of any Business Centres and all other relevant terms, in particular where the Reference Rate is other than LIBOR or EURIBOR)

18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this item) (Zero Coupon Note Provisions only apply to Notes issued at a discount to their principal amount and which will not bear interest)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining Amortised Face Amount payable: []
(Consider applicable Day Count Fraction if euro denominated)
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions [8(i)(ii)(d)] and 8(i) (*Late payment on Zero Coupon Notes*) of the General Conditions apply/specify other]

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19. **Underlying Linked Notes Interest Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Amount/ Interest Rate: [See the Schedule attached hereto/[specify] per Specified Denomination]
 - (ii) Interest Period(s): []
 - (iii) Interest Payment Date(s): []
 - (iv) Interest Period End Date(s): [Interest Payment Date(s)/ [] in each year [adjusted in accordance with [specify Business Day Convention]/not adjusted]]
 - (v) Day Count Fraction: []
 - (vi) Specified Valuation Date(s): [*Specify in respect of an Interest Payment Date*] [[Each such date shall be subject to adjustment [as provided in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions]/specify]] [[In respect of an Underlying,] [e][E]ach Scheduled Trading Day for [the/all the/such] Underlying[s] during [*specify period*]. The provisions of Condition 7(c) (*Adjustments to Valuation Dates (Scheduled Trading Days)*) [and Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*)] of the General Conditions] shall not apply in respect of [each] such Specified Valuation Date]
 - (vii) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable [Condition [7(c)(i) (*Adjustments to Valuation Dates (Scheduled Trading Days)*)] of the General Conditions applies]]
 - (viii) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable [Condition [7(d)(i) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*)] of the General Conditions applies]]
- (In relation to determination of Underlying Levels, specify adjustments to Valuation Dates where different to the Terms and Conditions)*
- (ix) Valuation Roll: []/[Eight] [Not Applicable]
- (If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)*
20. **Dual Currency Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Exchange rate/method of calculating exchange rate: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Provisions applicable where calculation by reference to exchange rate impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. **Issuer Call:** [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): []
- (iii) Redemption in whole or in part: *[Redemption in whole/Redemption in part (and, if redemption in part, method of selecting Notes for redemption, if other than as set-out in Condition 8(e) (Redemption at the option of the Issuer (Issuer Call)) of the General Conditions)]*
- (iv) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Higher Redemption Amount: []
- (v) Notice period (if other than as set out in the General Conditions): [] *(N.B. If setting notice periods which are different to those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example between the Issuer and the Trustee)*

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22. **Investor Put:** [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): []
- (iii) Notice period (if other than as set out in the General Conditions): [] *(N.B. If setting notice periods which are different to those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example between the Issuer and the Trustee)*
23. **Final Redemption Amount for each Note:** [Par/specify amount/See item 24 below *(N.B. only applicable in relation to Underlying Linked Notes)*]/ [Physical Settlement]
(Details may be set out in the Annex to the Pricing Supplement)
24. **Underlying Linked Notes Redemption Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Final Redemption Amount for Underlying Linked Notes: [See the Schedule attached hereto][Specify] per Specified Denomination]
- (ii) Specified Valuation Date(s): [Specify][[Each] such date shall be subject to adjustment [as provided in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions/specify]] [[In respect of an Underlying,] Each Scheduled Trading Day for [the/all the/such] Underlying[s] during [specify period]. The provisions of Condition 7(c) *Adjustments to Valuation Dates (Scheduled Trading Days)* [and Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*)] of the General Conditions shall not apply in respect of [each] such Valuation Date]
- (iii) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition [7(c)(i) (*Adjustments to Valuation Dates (Scheduled Trading Days)*)] of the General Conditions applies]
- (iv) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition [7(d)(i) (*Adjustments to*

Valuation Dates (Disrupted Days and Underlying Closing Levels))] of the General Conditions applies]

(v) Valuation Roll: []/[Eight] [Not Applicable]

(If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)

25. Investor Put for taxation reasons pursuant to Condition 8(c) (*Redemption for taxation reasons at the option of the Noteholders*) of the General Conditions: [Applicable/Not Applicable]

26. **Mandatory Early Redemption Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Mandatory Early Redemption Event: [See the Schedule attached hereto/*Specify*]

(ii) Mandatory Early Redemption Amount(s): [See the Schedule attached hereto/*specify in respect of a Mandatory Early Redemption Date and each Specified Denomination*]

(iii) Mandatory Early Redemption Date(s): [See the Schedule attached hereto/*Specify*]

(iv) Specified Valuation Date(s): [Specify in respect of a Mandatory Early Redemption Date] [[Each] such date shall be subject to adjustment [as provided in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions/*specify*]] [[In respect of an Underlying,] Each Scheduled Trading Day for [the/all the/such] Underlying[s] during [specify period]. The provisions of Condition 7(c) *Adjustments to Valuation Dates (Scheduled Trading Days)* [and Condition 7(d) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels))*] of the General Conditions shall not apply in respect of [each] such Specified Valuation Date]

(v) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable/*specify*][Condition 7(c)(i) (*Adjustments to Valuation Dates (Scheduled Trading Days)*) of the General Conditions applies]

(vi) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable/*specify*][Condition 7(d)(i) (*Adjustments to Valuation Dates (Disrupted Days and Underlying Closing Levels)*) of the General Conditions applies]

(vii) Valuation Roll: []/[Eight] [Not Applicable]

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(If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)

27. **Instalment Notes:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Instalment Amount(s): []

(ii) Instalment Date(s): []

28. **Provisions applicable to Physical Settlement:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(N.B. if the Notes are Physical Settlement Notes, physical delivery of any Relevant Asset(s) must be made in compliance with the provisions of the United States Securities Act 1933)

(i) Entitlement: [In respect of each Specified Denomination and subject as provided in Condition 9(iv) (*General*) of the General Conditions][*Specify*]

(ii) Relevant Asset(s): [As specified above/The relevant assets to which the Notes relate [is/are][the Charged Assets/the Underlying]]

(iii) Delivery Method and details required for delivery using such Delivery Method: [*Specify*]

(iv) Settlement Business Day(s): [*Specify*]

(v) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]

(vi) Aggregation of Entitlements: [Applicable/Not Applicable]

[Rounding: [Up/Down]]

(N.B. Only applicable where Aggregation of Entitlements is specified as Not Applicable)

(vii) Cash Adjustment: [Applicable/Not Applicable]

[The value of the Fractional Entitlement shall be determined by the Calculation Agent [by reference to the Underlying Closing Level] of the Underlying on [*specify*]]

Tradeable Amount: [1/*Specify*]

(viii) [For the purpose of Condition 9 (*Physical Settlement*) of the General Conditions, the manner of determining *(only applicable for Notes that are rated by a Rating Agency. If not applicable, delete this paragraph)*]

(A) the Disruption Cash Settlement Amount: [*specify*]

(B) the Failure to Deliver Redemption Amount: [*specify*]

(C) the amount of each Substitute Asset: [*specify*]

(D) the Alternate Cash Redemption Amount: [*specify*]

29. **Variation of Settlement** [Applicable/Not Applicable]

(i) Issuer's option to vary settlement: [The Issuer has the option to vary settlement in respect of the Notes pursuant to Condition 9(vii) (*Variation of Settlement*) of the General Conditions][Not Applicable]

(ii) Holder's option to vary settlement: [The Noteholder [has/does not have] the option to elect for settlement [by way of cash payment/by way of physical settlement][, subject as provided in the General Conditions to the Issuer's right to cash settlement upon redemption of the Notes]][Not Applicable]

30. Whether the Issuer is able to purchase any of the Notes pursuant to Condition 10 (*Purchase*) of the General Conditions: [Yes/No]

31. Method of selecting the Notes, to be redeemed in the case of a partial redemption of any Class or Series of Notes: [To be selected individually by lot/to be selected in accordance with the order of priorities relating to the repayment of principal of the Notes and, within any Class of Notes, on a *pari passu* basis/Not Applicable]

PROVISIONS RELATING TO THE SECURITY

32. **Charged Assets:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Details of Charged Assets: [*Specify*][See Paragraph 9 of Part B (*The Charged Assets*) below for further details in relation to the Charged Assets.]

[The Charged Assets are ISDA Counterparty Collateral]

(Where there are Charged Assets (other than ISDA Counterparty Collateral) and a Charged Agreement comprising a Swap Agreement and part (but not all) of

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the Charged Assets may become due and repayable at a date prior to their stated maturity such that Condition 8(b) (Redemption in relation to the Charged Assets) or 8(c) (Redemption for taxation reasons at the option of the Noteholders) of the General Conditions could apply, consideration needs to be given to the terms of any purchase/termination of such Charged Agreement)

- (ii) Security over Charged Assets created in Trust Deed and/or Charging Document: [Trust Deed]
[Charging Document]
[Trust Deed and Charging Document]
- (iii) Governing law of Charged Assets: []
- (iv) Counterparty's account details (being the account to which the Custodian will credit amounts received by it in respect of the Charged Assets): []
- (v) Charged Asset Substitution: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)
 - (A) Replacement Charged Asset Criteria: [The definition of "Replacement Charged Asset Criteria" in Condition 3(b) (*Charged Assets*) of the General Conditions applies/(specify other terms and/or other additional requirements relating to such substitution)]
 - (B) Additional Replacement Charged Asset Criteria: [Not Applicable/(specify other criteria e.g. any rating or governing law requirements for the new assets)]
- (vi) Custodian's account details: Accounts of Serenade Series [] with the Custodian [(the **Relevant Accounts**)]:

Cash Account: []
Securities Account: []

[together with all other cash and/or securities accounts that are located in Luxembourg and held with the Custodian in respect of the [] Compartment]
- (vii) Collateral Services Agreement: [The Notes have the benefit of the Collateral Services Agreement/Not Applicable/specify]

(NB: The Collateral Services Agreement may only be specified where the Trustee is Citicorp Trustee Company Limited)
- (viii) [Trade Date: []] *(Include if not defined in item 38(iv) below)*

33. **Credit Support Document:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Details of Credit Support Document: []

(ii) Governing law of Credit Support Document: []

34. **Charging Document:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Details of Charging Document: [Security interests are created by a Custodian Account Pledge Agreement dated [] (as modified and supplemented from time to time) (the **Pledge Agreement**) between the Issuer and the Trustee, being a first ranking pledge of the securities and cash standing now and in the future to the credit of each Relevant Account] / [specify]

(ii) Governing law of Charging Document: [Luxembourg Law/specify]

35. **Charged Agreements:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Swap Agreement or other Charged Agreement: [The Swap Agreement comprises an ISDA Master Agreement dated as of [] between the Issuer and the Counterparty including the Schedule thereto [and the ISDA Credit Support Annex (English law transfer) to such ISDA Master Agreement] (as amended and/or restated and/or supplemented from time to time, the **Agreement**) and a swap transaction between the Issuer and the Counterparty as evidenced by a confirmation dated as of the Issue Date (the **Confirmation**), which supplements, forms a part of and is subject to the Agreement (as such may be amended and supplemented from time to time) (*N.B. the Credit Support Annex is only applicable to Collateralised Transactions and the transaction must be specified as a "Collateralised Transaction" in the applicable confirmation in order for the provisions of the Credit Support Annex to apply. Consideration should be given to the provisions of the Credit Support Annex for certain rated transactions*)]

If the Charged Agreement is not comprised of a Swap Agreement, insert relevant details here.

(ii) Details of the Counterparty's []

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rights to assign and/or to delegate its rights and obligations:

(iii) Additional Swap Termination Events: *[specify]*[Not Applicable]

(iv) Governing law of Charged Agreement: [The Charged Agreement is governed by English law]

36. Other relevant details relating to the Mortgaged Property:

(i) Security Ranking Basis: [Primary Basis/*Pari Passu* Basis/Secondary Basis/(*specify other*)]

(ii) Order of priorities, prior to enforcement of the security for the Notes, for application of the proceeds of the Charged Assets and any other security forming part of the Mortgaged Property: [As set out in Clause 11 of the Master Trust Deed/(*specify other*)]

(iii) Whether or not the Mortgaged Property is secured in favour of any other Class of Notes: [Not Applicable][Yes – *insert details of other Class and ranking*/No]

(iv) Any other applicable security interests for the purposes of Condition 3(a)(ii)(D) (*Security*) of the General Conditions: [Not Applicable/(*specify*)]

(v) Other: [*Specify additional duties of the Custodian/details of a different order for the application of funds other than that set out in Clause 11 of the Master Trust Deed/details of any additional terms on which the Custodian holds any Charged Assets*]

37. Principal Paying Agent's account details (being the account to which the Issuer will credit amounts payable under the Notes and to which the Counterparty (if any) will credit amounts payable under the Swap Agreement to the Principal Paying Agent on behalf of the Issuer): [To be notified to the Issuer (with a copy to the Custodian and the Counterparty) in writing not less than [five] Business Days prior to the date upon which any payment in respect of the Notes is to be made]

PROVISIONS RELATING TO UNDERLYING LINKED NOTES

38. **Underlying Linked Notes Provisions:** [Applicable – the provisions in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions apply (subject as provided in the relevant Underlying Schedule)][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs*)

of this paragraph)

(i) Underlying:

(the following information may be tabulated)

(A) Description of Underlying(s): *(Specify each Underlying including ISIN or other identification number, where available, including definitions as appropriate)*

(B) Classification: [Security Index/Inflation Index/Commodity Index/Commodity/Share/Depository Receipt/ETF Share/Mutual Fund Interest/FX Rate (EMTA Provisions: [Applicable/Not Applicable])/Proprietary Index/Dividend Futures Contract/*other*]

(Specify for each Underlying)

(C) Electronic Page: [] *(Specify for each Underlying)*

(ii) Particulars in respect of each Underlying: *(Delete the sub-paragraphs which are not applicable)*

(the following information may be tabulated)

[Security Index/Indices: *(Specify for each Security Index)*

(A) Type of Index: [Single Exchange Index/Multiple Exchange Index]
[Bond/Index]

(B) Exchange(s): []

(NB: Only required in relation to Single Exchange Indices)

(C) Related Exchange(s): [Specify/All Exchanges]

(D) Single Valuation Time: [Applicable/Not Applicable]

(E) Same Day Publication: [Applicable/Not Applicable]

[Inflation Index/Indices: *(Specify for each Inflation Index)*

(A) Fallback Bond: [Applicable: The definition set out in Condition 1 (*Definitions*) of the Inflation Index Conditions shall apply/specify][Not Applicable]

(B) Revision of level of Inflation Index: [Revision/No Revision]

(NB: If neither "Revision" nor "No Revision" is specified, "No Revision" will be deemed to apply)

[Commodity Index/Indices: *(Specify for each Commodity Index)*

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- (A) Same Day Publication: [Applicable/Not Applicable]
- [Commodity/Commodities: *(Specify for each Commodity)*]
- (A) Commodity Price: [[high price][low price][average of high and low prices][closing price][opening price][bid price][asked price][average of bid and asked prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][*other*] [per [*insert unit*]] of [*insert commodity*] on [the relevant Exchange/*specify other source*] [of the [relevant] Futures Contract for the [relevant] Delivery Date] as made public by [the [relevant] Exchange] on [the [relevant] Price Source]] [*specify*][Fallback Commodity Dealers]
- (B) Delivery Date: [date] [month and year] [[First/Second/Third/*other*] Nearby Month] Either (i) the [First/Second/Third/*other*] Nearby Month or (ii) if the Calculation Agent determines that the relevant Valuation Date falls less than [[]] Commodity Business Days prior to the earlier of (A) the last trading day of the relevant [First/Second/ Third/ *other*] Futures Contract; or (B) the first day on which notice of intent to deliver in respect of the relevant [First/Second/Third/*other*] Futures Contract may be submitted (howsoever) defined in the terms of the relevant Futures Contract and/or the rules of the relevant Exchange), the [First/Second/Third/*other*] Nearby Month] [*specify method*]
- (C) Exchange(s): []
- (D) Price Source: [Electronic Page] []
- (N.B. Unless otherwise specified, Price Source shall be the Electronic Page)*
- (E) Scheduled Trading Day: []
- (NB: Only applicable if the definition for Bullion Commodities in the Commodity Conditions is not applicable)*
- [Share/Shares: *(Specify for each Share)*]
- (A) Share Company: []
- (B) Exchange(s): []
- (C) Related Exchange(s): [*Specify/All Exchanges*]
- [Depository Receipt/Receipts: *(Specify for each Depository Receipt)*]

(A) Full Lookthrough: [Applicable/Not Applicable]

(B) Partial Lookthrough: [Applicable/Not Applicable]

(C) Depository Receipt []
Exchange(s):

(D) Depository Receipt [Specify/All Exchanges]
Related Exchange(s):

(E) Underlying Share []
Company:

(F) Underlying Share []
Exchange(s):

(G) Underlying Share [Specify/All Exchanges]
Related Exchange(s):

[ETF Share/Shares: (Specify for each ETF Share)

(A) Fund: []

(B) Exchange(s): []

(C) Related Exchange(s) [Specify/All Exchanges]]

[Mutual Fund Interest/Interests: (Specify for each Fund Interest)

(A) Mutual Fund: []

(B) Scheduled Trading Day: [Scheduled Interim Valuation Date/Scheduled
Redemption Valuation Date]

(C) Same Day Publication: [Applicable/Not Applicable]]

[FX Rate/Rates where EMTA Provisions are Not Applicable: (Specify for each FX Rate and each Exchange Rate
comprising such FX Rate)

(A) FX Rate: "cross-rate/formula": [Applicable/Not Applicable]

[The FX Rate is [the inverse of] [] / [the product of []
] and [] / [the quotient of [] (as numerator and []
(as denominator)] (delete or combine as applicable)

(B) Exchange Rate:

- Base Currency: []

- Quote Currency: []

- Event Currency [Specify if different to the FX Rate Conditions]
/Currencies:

(NB: only required if "General Inconvertibility",

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"General Non-Transferability", "Material Change in Circumstances", "Nationalisation", "Specific Inconvertibility" or "Specific Non-Transferability" are specified as Currency Disruption Events below)

- Specified Financial Centres: []

[FX Rate(s) where EMTA Provisions are Applicable: (Specify for each FX Rate and each Exchange Rate)

(A) FX Rate Source: []

(B) Valuation Time: [] in respect of the Primary Rate
[[] in respect of the First Fallback Reference Price]
[[] in respect of the Second Fallback Reference Price]

(specify in respect of the Primary Rate and any fallback rates)

(C) Reference Currency: []

(D) Settlement Currency: []

(E) Reference Currency Business Centre(s): []

(F) Settlement Currency Business Centre(s): []

(G) Number of Settlement Business Days: []

(H) Maximum Days of Postponement: [] consecutive calendar days

[Proprietary Index/Indices:

(A) Scheduled Trading Day: [Specify if different to the Proprietary Index Conditions/A Scheduled Trading Day shall be an "Index Business Day" as defined in the Index Conditions]]

(B) Same Day Publication: [Applicable/Not Applicable]

[Dividend Futures Contract(s):

(A) Exchange(s): []

(B) Relevant Price: ["daily settlement price"]
["final settlement price"]
[Specify other]

(iii) Elections in respect of each type of Underlying: (Delete the sub-paragraphs which are not applicable)

(the following information may be tabulated)

[Security Index/Indices:

- (A) Additional Disruption [Increased Cost of Stock Borrow]
 Event(s): [Loss of Stock Borrow]
 [Specify other]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (B) Share Index Substitution [Specify/As determined by the Calculation Agent]
 Criteria: *(Specify if different to the Security Index Conditions)*

[Inflation Index/Indices:

- (A) Additional Disruption [Specify]
 Event(s): *(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)*
- (B) Reference Month(s): [In respect of a Valuation Date *[specify]*]
- (C) Manifest Error Cut-off [2 Business Days prior to the [relevant] Payment
 Date: Date/Specify]
(NB: If no Manifest Error Cut-off Date is specified, the cut-off date will be 2 Business Days prior to any relevant Payment Date)
- (D) Revision Cut-off Date: [2 Business Days prior to the [relevant] Payment
 Date/Specify]
(NB: If no Revision Cut-off Date is specified, the cut-off date will be 2 Business Days prior to any relevant Payment Date)

[Commodity Index/Indices:

- (A) Additional Adjustment Tax Disruption: [Applicable/Not Applicable]
 Event: *(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)*
 [Specify]
- (B) Additional Disruption *(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)*
 Event(s):
- (C) Commodity Index [Specify/As determined by the Calculation Agent]
 Substitution Criteria:
- (D) Commodity Component [Applicable/Not Applicable]
 Valuation:

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[Commodity/Commodities:

- (A) Additional Disruption [Specify]
Event(s):
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (B) Commodity Dealers [The definition set out in Condition 1 (*Definitions*) of the Commodity Conditions shall apply/Specify]
(NB: If no Commodity Dealers are specified, the Commodity Dealers shall be four leading dealers in the relevant market selected by the Calculation Agent)
- (C) Disruption Event(s): [Condition 3(a) (*Disrupted Day*) of the Commodity Conditions applies]
[Disappearance of Commodity Price]
[Material Change in Content]
[Material Change in Formula]
[Price Source Disruption]
[Tax Disruption]
[Trading Disruption (*specify any additional futures/options contracts*)]
- (D) Disruption Fallback(s): [Condition 3(b) (*Disruption Fallback*) of the Commodity Conditions applies.] [The following Disruption Fallbacks apply, in the following order:
[Fallback Commodity Price (*specify alternative Commodity Price*)]
[Fallback Commodity Dealers]
[Delayed Publication and Announcement]
[Postponement]
[Calculation Agent Determination]
[Cancellation]
[specify other]]
- (E) Additional Early [Abandonment of Scheme] (*N.B. Only applicable where the Underlying is an emission*)
Redemption Event(s):
[specify other]

[Share/Shares:

- (A) Additional Disruption [Increased Cost of Stock Borrow]
Event(s): [Loss of Stock Borrow]
[Specify other]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (B) Share Substitution [Reference Index/specify/As determined by the
Criteria: Calculation Agent]]

[Depository Receipt/Receipts:

- (A) Additional Disruption [Increased Cost of Stock Borrow]
 Event(s): [Loss of Stock Borrow]
 [Specify other]

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

- (B) Depository Receipt Depository Receipts: [Specify/Same underlying Share
 Substitution Criteria: and Currency/As determined by the Calculation Agent]

Underlying Share: [Specify/Reference Index/As determined by the Calculation Agent]

[ETF Share/Shares:

- (A) Additional Disruption [Increased Cost of Stock Borrow]
 Event(s): [Loss of Stock Borrow]
 [Specify other]

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

- (B) ETF Share Substitution [Specify/Related Index, for which purpose the Related
 Criteria: Index is []/As determined by the Calculation Agent]

[Mutual Fund Interest/Interests:

- (A) Additional Disruption [Asset Trigger Event]
 Event(s): [Delisting – if applicable also specify the relevant
 Exchange]
 [Holding Ratio Change]
 [Limitation Event]
 [Fees or Charges Event]
 [Fund Adviser Event - specify AUM Threshold if
 different to the Mutual Fund Conditions]
 [NAV Trigger Event]
 [New Information Event]
 [Non Currency Redemption]
 [Related Agreement Termination – specify other
 relevant party (if any)]
 [Specify other]

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

- (B) Mutual Fund Interest [Specify]
 Substitution Criteria: [Equivalent Mutual Fund Interest. For which purpose,
 the Equivalent Mutual Fund Interest Criteria is:
 [Liquidity]
 [Similar Strategy]
 [Same Currency]]
 [As determined by the Calculation Agent]

[FX Rate/Rates where EMTA

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Provisions are not Applicable:

(A) Additional Disruption [Specify]
 Event(s):
 (Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

(B) Currency Disruption [Dual Exchange Rate]
 Event(s): [General Inconvertibility]
 [General Non-Transferability]
 [Governmental Authority Default]
 [Illiquidity]
 [Material Change in Circumstances]
 [Nationalisation]
 [Price Materiality – for which purpose:
 Primary Rate: []
 Secondary Rate: []
 Price Materiality Percentage: []]
 [Specific Inconvertibility]
 [Specific Non-Transferability]]

[FX Rate/Rates where EMTA Provisions are Applicable:

(A) Disruption Event(s): [Price Source Disruption]
 [Price Materiality. For which purpose:
 Price Materiality Percentage is [] per cent.
 Primary Rate is [the FX Rate/[]]
 Secondary Rate is [the First Fallback Reference Rate [and the Second Fallback Reference Rate / []]

(B) Disruption Fallbacks: The following Disruption Fallbacks apply in the following order:

[First Fallback Reference Price. For the purposes of the related First Fallback Reference Rate:

First Fallback Rate Source: []
 First Fallback Valuation Time: []
 First Fallback Electronic Page: []]

[Valuation Postponement]

[Second Fallback Reference Price. For the purposes of the related Second Fallback Reference Rate:

Second Fallback Rate Source: []
 Second Fallback Valuation Time: []
 Second Fallback Electronic Page: []]

[Calculation Agent Determination]

(Specify relevant fallbacks for each FX Rate and the order in which they apply)

(C) Correction Provisions: [Applicable/Not Applicable] (specify for each FX Rate where different)

(D) Settlement Disruption: [Applicable/Not Applicable]

[Proprietary Index/Indices:

(A) Additional Disruption [Specify]
Event:

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

(B) Additional Adjustment Tax Disruption: [Applicable/Not Applicable]
Event:

(C) Component Valuation: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(D) [Component Valuation []/[eight]
Roll:

(E) [Component Disrupted [Specify if different to the Proprietary Index
Day:] Day:] Conditions/A Component Disrupted Day in respect of a
Component shall be a "Disrupted Day" as defined for
such Component in the Index Conditions]

(F) [Component Scheduled [Specify if different to the Proprietary Index
Trading Day:] Trading Day:] Conditions/A Component Scheduled Trading Day in
respect of a Component shall be a "Scheduled Trading
Day" as defined for such Component in the Index
Conditions]

(G) Proprietary Index [specify/As determined by the Calculation Agent]
Substitution Criteria:

[Dividend Futures Contract(s):

[Specify]

(A) Additional Disruption
Event(s):

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

(B) Dividend Futures [specify/As determined by the Calculation Agent]
Contract Substitution
Criteria:

(iv) Trade Date: []

(v) Realisation Disruption: [Applicable/Not Applicable]

(Realisation Disruption should be specified as "Not Applicable" for certain rated transactions)

(vi) Hedging Disruption Early [Applicable/Not Applicable]
Termination Event:

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GENERAL PROVISIONS APPLICABLE TO THE NOTES

39. Form of Notes: Registered Notes:
Global Note registered in the name of a nominee for Euroclear and Clearstream, Luxembourg which is exchangeable for Definitive Notes in the limited circumstances described in the Global Note
40. Business Centres: [Not Applicable/*give details*]
41. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]
(NB: *this item relates to the date and place of payment*)
42. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [of Condition 23 (*Redenomination*) of the General Conditions] apply]
43. Other final terms or special conditions: [Not Applicable/*give details*]
44. Determinations: [The provisions of Condition 17(c) (*Determinations*) of the General Conditions apply][Any matter falling to be determined, considered, elected, selected or otherwise decided upon by [the Agent Bank, the Calculation Agent, the Redemption Agent,] the Issuer or any other person shall be determined, considered, elected, selected or otherwise decided upon by such person in [good faith and in a commercially reasonable manner/*specify other*]]

PURPOSE OF FINAL TERMS

[This Pricing Supplement comprises the final terms required for the issue [and] [admission to [the Official List/[specify]] and to trading on [the Euro MTF market of the Luxembourg Stock Exchange/[specify]]] of the Notes described herein pursuant to the Secured Note Programme of Serenade Investment Corporation SA.]

RESPONSIBILITY

The Issuer [and the Issuer Credit Enhancer] accepts responsibility for the information contained in this Pricing Supplement. [[specify in relation to disclosure on Underlying or Charged Assets or otherwise] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Acceptance on behalf of the Issuer of the terms of this Pricing Supplement

[Acceptance on behalf of the Issuer Credit Enhancer of the terms of this Pricing Supplement

For and on behalf of

For and on behalf of

Serenade Investment Corporation SA
acting in respect of the [] Compartment

[]

By

By

Duly authorised

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [Official List of the Luxembourg Stock Exchange]/[specify]/[None]

(ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Euro MTF market of the Luxembourg Stock Exchange]/[specify] with effect from [specify]]/[Not Applicable]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)

2. RATINGS

Ratings: [Not Applicable/The Notes to be issued are expected, on issue, to be assigned a rating of:

[[Specify assigning agency]: []]

[For the purpose of the Agency Agreement and the Custodial Services Agreement, the Relevant Minimum Rating is [insert agreed Relevant Minimum Rating]]

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

(i) [Reasons for the Offer:] [specify if different from that described in "Use of Proceeds" in the Offering Circular]

(ii) [Estimated net proceeds:] [specify]

(N.B. It is only necessary to specify estimated net proceeds where disclosure is included at (i) above)

4. [PERFORMANCE OF THE UNDERLYING(S)], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING(S)

[Include the disclosure on the relevant Underlying(s) required by the Rules and Regulations of the Luxembourg Stock Exchange or, alternatively, comply with the disclosure requirements of the Prospectus Directive in respect of the Underlying(s) and include the disclosure set out below:

[Include details of where past and further performance and volatility of the Underlying can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident]

[Where the Underlying is an index include here the name of the index and a description if composed by the Issuer or, if the index is not composed by the Issuer, details of where the information about the index can be obtained]

[Where the Underlying is not an index include here equivalent information on the Underlying]

[Where the Underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the Underlying is a basket of Underlyings, need to include the relevant weightings of each Underlying in the basket]

[Need to include a description of any market disruption or settlement disruption events that affect the Underlying and any adjustment rules in relation to events concerning the underlying (if applicable) and to the extent not already contained in the Conditions]

[Set out structure of issue if not set out in item 6 below]]]

5. UNDERLYING DISCLAIMER

[Insert applicable disclaimers relating to the Underlying]

[Bloomberg[®]]

Certain information contained in this Pricing Supplement consists of extracts from or summaries of information that is publicly-available from Bloomberg L.P. (**Bloomberg[®]**). The Issuer [and the Issuer Credit Enhancer] accept[s] responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer [and the Issuer Credit Enhancer] [are/is] aware and [are/is] able to ascertain from such publicly-available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Bloomberg[®] makes no representation, warranty or undertaking, express or implied, as to the accuracy of the reproduction of such information, and accepts no responsibility for the reproduction of such information or for the merits of an investment in the Notes. Bloomberg[®] does not arrange, sponsor, endorse, sell or promote the issue of the Notes.]

[Proprietary Index Disclaimer]

None of the Issuer [the Issuer Credit Enhancer,], [] (the **Index Sponsor** [and the **Index Calculation Agent**]) for the Underlying and any of their respective directors, officers, employees, representatives, delegates or agents (each a **Relevant Person**) makes any express or implied representations or warranties as to (a) the advisability of purchasing the Notes, (b) the level(s) of the Underlying at any particular time on any particular date, (c) the results to be obtained by any investor in the Notes or any other person or entity, from the use of the Underlying or any data included therein for any purpose, (d) the merchantability or fitness for a particular purpose of the Underlying or (e) any other matter. Each Relevant Person hereby expressly disclaims, to the fullest extent permitted by applicable law, all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the Underlying. No Relevant Person shall have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages. [The Index Sponsor is not/Neither the Index Sponsor nor the Index Calculation Agent is] under any obligation to continue the calculation, publication and dissemination of the Underlying nor shall they have any liability for any errors, omissions, interruptions or delays relating to the Underlying. The Index Sponsor [and the Index Calculation Agent] shall [each] act as principal and not as agent or fiduciary of any other person.

Past performance is not indicative of future performance. Any numbers or figures presented as past performance of the Underlying prior to its launch date (however defined in the Index Conditions)

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may include performances calculated from back-testing simulations. Any back-testing is illustrative only and derived from proprietary models based on certain historic data and assumptions and estimates. Such back-testing information should not be considered indicative of the actual results that might be obtained from an investment or participation in the Notes. Any scenario analysis is for illustrative purposes only and does not represent the actual performance of the Underlying nor does it purport to describe all possible performance outcomes for the Underlying.

As at the date hereof, the Underlying is described in full in the Index Conditions which are set out at [Schedule []] attached hereto. Any decision to invest in the Notes should be based upon the information contained in the Offering Circular and this Pricing Supplement only.

The Underlying is proprietary and confidential to the Index Sponsor. No person may use the Underlying in any way or reproduce or disseminate the information relating to the Underlying contained in the Offering Circular relating to the Notes without the prior written consent of the Index Sponsor (save in respect of the distribution of the terms of the Notes using customary clearing and settlement procedures). The Underlying is not in any way sponsored, endorsed or promoted by the issuer or sponsor, as applicable, of any of its constituents.]

6. THE CHARGED ASSETS

[In relation to the Charged Assets (if any) specify each of the following which are applicable in relation to such Charged Assets, where not otherwise described in the Offering Circular:

- (i) *type of assets;*
- (ii) *description of the issue structure if not as set out under "General Description of the Programme" in the Offering Circular;*
- (iii) *description of the flows of underlying assets towards the securities of the issue if not as set out under "General Description of the Programme" in the Offering Circular;*
- (iv) *amount of the securitised assets with the indication, where applicable, that in the transferor's accounts, this corresponds to all or part of the assets of the same type;*
- (v) *legislation governing the securitised assets;*
- (vi) *terms and conditions of the transfer;*
- (vii) *indication of any commitment or liability, as the case may be, which the issuer or guarantor of the bond issue has towards the transferor;*
- (viii) *if the securitised assets have a final maturity date, indication of early redemption or other maturities, dates, terms and conditions of early redemption;*
- (ix) *in the event that the assets are to be replaced by other assets, or to be added, description of the terms of the exchange and increase of securitised assets, respectively;*
- (x) *if the underlying assets are covered by one or several insurances, short description of the insurance;*
- (xi) *in the case of intangible assets, such as credit card accounts, portfolios of mortgage or other loans, leasing contracts, documentary credits or other similar assets, include general information on the composition of the underlying portfolio, and on the criteria applied for accepting additional assets to the portfolio or replacing underlying assets by other assets,*

and, if applicable, information on any security arrangement relating to the underlying contracts;

- (xii) *in the case of the securitisation of a single underlying or of several underlying contracts of a single counterparty and such counterparty is not Citigroup Global Markets Limited or Citibank, N.A., set out information on such counterparty, as would be required for an issuer of bonds in Appendix II, Part I, 2.) of the rules and regulations of the Luxembourg Stock Exchange;*
- (xiii) *in the case of the securitisation of tangible assets such as real estate, aircrafts, ships or other similar assets:*
 - *in addition to the description of the assets, indication of experts' reports, if any, and the name of the expert; if future reports are planned, indication of the frequency of such reports and place where the reports can be inspected; and*
 - *if the underlying assets are operating, rental or leasing contracts, indication of the maturities and other conditions relating to such contracts; and*
- (xiv) *if the securitisation is based on financial flows generated by industrial projects or infrastructure projects, concession rights, royalties and other similar assets, include a description of the relevant project and a fair valuation of the future income.*

(In each case specified above, consideration should be given as to whether such information triggers the need for a drawdown prospectus)

7. OPERATIONAL INFORMATION

- ISIN Code: [specify]
- Common Code: [specify]
- Any clearing system(s) other than Euroclear or Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
[Interests in the Notes will be accepted for settlement in Euroclear UK & Ireland (**CREST**) via the CREST Depositary Interest (CDI) mechanism]
- Delivery: Delivery [versus/free of] payment
- Names and specified offices of additional Paying Agent(s) (if any): [specify]
- Registrar and specified office: [[Citigroup Global Markets Deutschland AG, Reuterweg 16, 60323 Frankfurt, Germany] /specify other]
(Care should be taken when selecting the Registrar that there are no U.K. stamp duty or stamp duty reserve tax issues)
- Transfer Agents and specified office: [Citibank, N.A, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB/specify other]

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Custodian and specified office [and Custodial Services Agreement]: [Citibank International Limited (Luxembourg Branch), 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg/*specify other*]

[if the Custodian is not Citibank International Limited (Luxembourg Branch), insert details of any applicable custodial services agreement]

Agent Bank and specified office: [Citibank, N.A., Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /*specify other*]

Redemption Agent and specified office: [Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /*specify other*]

Rating Agency: [*specify/Not Applicable*]

8. DISTRIBUTION

If syndicated, names and addresses of Managers and details of underwriting commitments: [Not Applicable/*names, addresses and underwriting commitments*]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis in such entities are not the same as the Managers)

Date of [Subscription] Agreement: [Not Applicable/*give date*]

Stabilising Manager (if any): [Not Applicable/*give name*]

If non-syndicated, name and address of relevant Dealer: [Not Applicable/*give name and address*]

Notes issued to relevant Dealer(s): [As principal/As agent/Not Applicable]

Total commission and concession: [*specify*] per cent. of the Aggregate Principal Amount

Additional selling restrictions: [Not Applicable/*give details*]

9. OTHER INFORMATION

[e.g. secondary market information]

10. SUPPLEMENTAL TRUST DEED

By executing this Paragraph 9 in Part B of this Pricing Supplement, the parties hereto agree that this section is executed as a deed and constitutes a supplemental trust deed made pursuant to Clause 2 of, and supplemental to, the Master Trust Deed dated [], as supplemented and/or amended and/or restated from time to time (the **Master Trust Deed**) between, *inter alios*, the Issuer and Citicorp

Trustee Company Limited as trustee (the **Trustee**). The parties to this Supplemental Trust Deed agree as follows:

1. The Notes issued pursuant to the Secured Note Programme described in the above Pricing Supplement are constituted and secured by and in accordance with the Master Trust Deed and this Supplemental Trust Deed. The Notes shall be subject to the Terms and Conditions of the Notes set forth in the Third Schedule to the Master Trust Deed as supplemented and varied by the above Pricing Supplement (except as otherwise expressed in the above Pricing Supplement).
2. Terms defined in the Master Trust Deed and the Pricing Supplement shall have the same meanings when used herein unless the context requires otherwise or unless otherwise stated.
3. The Master Trust Deed shall henceforth be read and construed in conjunction with this Supplemental Trust Deed as one document.
4. A memorandum of this Supplemental Trust Deed shall be endorsed by the Trustee on the Master Trust Deed and by the Issuer on the duplicate thereof.
5. [The Issuer hereby notifies the Counterparty (or Counterparties) referred to in the above Pricing Supplement that by this Supplemental Trust Deed the Issuer has assigned by way of a first ranking assignment in favour of the Trustee all its rights, title and interest in and to each Charged Agreement (if any) referred to in the above Pricing Supplement.]
6. [] hereby agrees that it shall be the Trustee of the Notes and accordingly shall be bound by, and have the benefit of, the Master Trust Deed in respect of the Notes as if it had been named therein as Trustee.

IN WITNESS whereof this Supplemental Trust Deed has been executed as a deed by each of the signatories hereto and delivered on the date of the above Pricing Supplement.

SIGNATORIES:

EXECUTED as a DEED by)
SERENADE INVESTMENT)
CORPORATION SA)
 acting in respect of the [])
 Compartment by)
 acting under the authority of)
 that company)

[**EXECUTED as a DEED by**)
CITICORP TRUSTEE COMPANY)
LIMITED)
 acting by)
 acting under the authority of)
 that company)
 in the presence of)

Witness's Signature:)
 Name:

Address: [Citigroup Centre
 Canada Square

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Canary Wharf
London E14 5LB]]

[EXECUTED as a DEED by)
[insert name])
acting by)
acting under the authority of)
that company)
in the presence of)

Witness's Signature:)
Name:

Address: [insert address]]

(Include if Trustee specified in the applicable Pricing Supplement is not Citicorp Trustee Company Limited and adapt for that company's execution requirements for deeds)

[EXECUTED as a DEED by)
CITIGROUP GLOBAL MARKETS)
LIMITED)
in its capacity as Counterparty)
acting under the authority of)
that company)
in the presence of:

Witness's Signature:)
Name:

Address: [Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB]]

[delete if not a Counterparty in respect of the Notes]

[EXECUTED as a DEED by)
CITIBANK, N.A.)
in its capacity as Counterparty)
acting under the authority of)
that company)]

[delete if not a Counterparty in respect of the Notes]

FORM OF FUNGIBLE PRICING SUPPLEMENT

[Date]

SECURED NOTE PROGRAMME

Serenade Investment Corporation SA

*(a public limited liability company (société anonyme)**incorporated under the laws of the Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register under number B. 169 602 and acting in respect of the []-[] Compartment)*
(the Issuer)

[Title of relevant Tranche of Notes (specifying type of Notes)] (the Tranche [] Notes) to be consolidated and form a single Series with [*Insert title of previous Tranches of Notes (specifying type of Notes)*] (the Tranche [] Notes and, together with the Tranche [] Notes, the Notes) (*complete for multiple Tranches, as applicable*)
issued pursuant to the Secured Note Programme

The Offering Circular referred to below (as completed by this Fungible Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer and any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measures in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

The Notes may not be purchased or held by or transferred to a benefit plan investor or an entity using the assets of a benefit plan investor. For the purposes hereof, **benefit plan investor** shall mean (a) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to ERISA, (b) a plan described in and subject to Section 4975 of the Internal Revenue Code, or (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity under U.S. Department of Labor Regulations § 2510.3-101 (29 C.F.R. § 2510.3-101) as modified by ERISA. The Notes [and the Notes Guarantee] [and any Entitlement(s)] have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States, the Issuer has not registered and will not register as an "investment company" under the U.S. Investment Company Act of 1940, as amended, in reliance on Section 3(c)(7) thereof and no person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act, as amended (the **CEA**) and the rules of the U.S. Commodity Futures Trading Commission thereunder (the **CFTC Rules**). Accordingly, the Notes may not be offered, sold, pledged, resold, delivered or otherwise transferred except (a) in an "offshore transaction" (as such term is defined under Regulation S under the Securities Act (**Regulation S**)) and (b) to persons that are both (1) "Non-United States persons" (as such term is defined under CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons") and (2) not "U.S. Persons" (as such terms is defined under rule 902(k)(l) of Regulation S (any such person both (1) and (2) immediately above, a **Permitted Purchaser**)). If a Permitted Purchaser acquiring the Notes is doing so for the account or benefit of another person, such other person must also be a Permitted Purchaser. The Notes [and the Notes

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Guarantee] [and any Entitlement(s)] do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the CEA, and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the CEA. For a description of certain restrictions on offers and sales of Notes, see "*Subscription and Sale*" in the Base Prospectus together with any Additional Selling Restrictions contained in item 52 below. Each subsequent purchaser and transferee of the Notes will be deemed to have made certain acknowledgments, representations and agreements as set out in the section of the Base Prospectus entitled "*Subscription and Sale*" and in item 51 below.

Investor Representation: Each investor who purchases the Notes will be deemed to have represented to the Issuer and the Dealer that: (1) they are not a US Person (as defined in Regulation S), (2) they are not an Affiliate Conduit, based upon the relevant guidance in the "Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations" as published by the CFTC on 26 July 2013 (78 Fed. Reg. 45292, the **Interpretive Guidance**), including the Affiliate Conduit Factors as defined therein and (3) they are not, nor are any obligations owed by them, supported by any guarantee other than any guarantee provided by a person who does not fall within any of the U.S. Person Categories (as defined in the Interpretive Guidance) and who would not otherwise be deemed a "U.S. person" under the Interpretive Guidance.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section[s] entitled "*Terms and Conditions of the Notes*" [and the Underlying Schedule[s] applicable to [the/each] Underlying] in the Base Prospectus, which are incorporated by reference in the Offering Circular.

This document constitutes the Fungible Pricing Supplement of the Notes described herein and references in the Conditions to "Final Terms" shall be deemed to be to this Fungible Pricing Supplement and the Agency Agreement shall be construed accordingly. This Fungible Pricing Supplement must be read in conjunction with the Offering Circular, including the Terms and Conditions which are incorporated by reference in the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Fungible Pricing Supplement, the Base Prospectus and the Offering Circular [and the Supplement[s] to the Offering Circular].

The Base Prospectus, the Offering Circular and this Fungible Pricing Supplement are available for viewing at the specified office of each Paying Agent and on the web-site of the Luxembourg Stock Exchange (www.bourse.lu).

For the purposes hereof, **Base Prospectus** means the Serenade Base Prospectus relating to the Programme dated 26 June 2012.

For the purposes hereof, **Offering Circular** means the Offering Circular relating to the Programme dated 12 March 2015 including all documents incorporated by reference therein and as supplemented by the Offering Circular Supplements (if any) dated prior to the Issue Date of Tranche [] of the Notes (the **Supplements to the Offering Circular**). References therein to "Pricing Supplement" shall be deemed to be references to this Fungible Pricing Supplement where the context so requires.

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

1. (i) Issuer: Serenade Investment Corporation SA
- (ii) Issuer Credit Enhancer and [name and address][Not Applicable]

specified office:

(If an Issuer Credit Enhancer is appointed in respect of any Notes and the relevant Notes Guarantee is an unconditional and irrevocable guarantee, then, where the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, the requirements of the Rules and Regulations of the Luxembourg Stock Exchange must be complied with and a drawdown prospectus prepared. Where the Notes are listed on any other Stock Exchange, the requirements of the rules of the relevant Stock Exchange must be complied with)

(iii) Counterparty[y][ies] and specified office: [name and address][Not Applicable]

(iv) Counterparty Guarantor and specified office: [name and address][Not Applicable]

(NB if the Counterparty, pursuant to an ISDA Agreement, is Citigroup Global Markets Limited or Citigroup Financial Products Inc, then. the Confirmation must specify that the transaction is a "Guaranteed Transaction" in order for the provisions of the Swap Guarantee to apply)

(v) Credit Support Provider and specified office: [name and address][Not Applicable]

(vi) Trustee and specified office: [Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf London, E14 5LB/specify other]

(vii) Calculation Agent and specified office: [Citigroup Global Markets Limited][Citibank N.A.], Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB/specify other]

2. (i) Series Number: []

(ii) Class of Notes: []

(iii) Details of the Notes to which this Class of Notes relates: []

(iv) Tranche Number: []

(Include details of the existing Class and/or Series, with which the Notes are fungible, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []

4. Aggregate Principal Amount:

(i) Class: []

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- (ii) Tranche: Tranche 1: []
Tranche []: []
(Complete for multiple tranches as applicable)
- (iii) Series: []
5. Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)].
6. (a) Specified Denomination(s): []
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) *(If the Notes have more than one Specified Denomination, then payments should be specified on the basis of each relevant Specified Denomination)*
(If the Notes have a maturity of less than one year, the minimum denomination may need to be £100,000 or its equivalent in any other currency)
(If the Notes are represented by a Restricted Global Certificate or an Individual Certificate, the minimum denomination should be U.S.\$100,000 or equivalent)
- (b) Minimum trading size: []
7. (a) Issue Date: The Issue Date of the Tranche [] Notes is [] and references to "Issue Date" in the Conditions shall be construed as appropriate
- (b) Interest Commencement Date: [Issue Date of the Tranche 1 Notes/Not Applicable]
8. Maturity Date: [Specify date or for Floating Rate Notes Interest Payment Date falling in or nearest to the relevant month and year]
9. Type of Notes: (i) [Fixed Rate/Floating Rate/Zero Coupon/Dual Currency/Underlying Linked/specify other]
(ii) [The Notes relate to the Underlying(s) specified in item 38 below]
(iii) The Notes are [Cash Settlement Notes/Physical Settlement Notes]
10. Interest Basis: [Fixed Rate. The Notes bear interest as specified in item 16 below]
[Floating Rate. The Notes bear interest as specified in item 17 below]
[Zero Coupon]
[Underlying Linked Interest. The Notes bear interest as specified in item 19 and item 38 below]

- [Dual Currency Interest]
 [Other (*specify*)]
 (further particulars specified below)
 [The Notes do not bear or pay any interest]
11. Redemption/Payment Basis: [Redemption at par]
 [Underlying Linked Redemption]
 [Dual Currency Redemption]
 [Instalment]
 [Other (*specify*)]
12. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*] [Not Applicable]
13. Put/Call Options: [Issuer Call as specified in item 21 below]
 [Investor Put as specified in item 22 below]
 [Not Applicable]
14. (a) Status of the Notes: Senior secured
- (b) Date Board approval for issuance of Notes obtained: The date of the Board approval in relation to the Tranche 1 Notes was [*specify*] and the date of the Board approval of the Tranche [] Notes is [*specify*]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Rate(s): [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [*specify Business Day Convention*]/not adjusted]
- (iii) Interest Period End Date(s): [Interest Payment Date(s)/[] in each year [adjusted in accordance with [*specify Business Day Convention*] / not adjusted]]
- (iv) Interest Amount(s): [] per Specified Denomination
- (v) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Interest Amount*]
- (vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/ *other*]
- (vii) [Determination Date(s): [] in each year

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(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (only relevant where Day Count Fraction is Actual/Actual (ICMA)).)

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable]

17. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Specified Period(s)/Specified Interest Payment Dates: []

(ii) Interest Period End Date(s): [Interest Payment Date(s) / [] in each year [adjusted in accordance with [specify Business Day Convention]/not adjusted]]

(iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[other (give details)]]

(iv) Manner in which the Interest Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/[other (give details)]]

(v) Party responsible for calculating the Interest Rate and Interest Amount: [The Calculation Agent][The Agent Bank]

(vi) Screen Rate Determination: [Applicable/Not Applicable]

– Reference Rate: []

(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)

– Interest Determination Date(s): []

(Second day on which commercial banks are open for business (including dealing in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)

– Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- (vii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum *(or insert details of any rate multiplier)*
- (ix) Minimum Interest Rate: [[] per cent. per annum/Not Applicable]
- (x) Maximum Interest Rate: [[] per cent. per annum/Not Applicable]
- (xi) Day Count Fraction: [Actual/Actual / Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360/360/360/Bond Basis
30E/360/Eurobond Basis
30E/360 (ISDA)
Other]
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: []
- (Include details of Interest Determination Date(s), any Reference Banks, details of any Business Centres and all relevant terms)*

18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this item) (Zero Coupon Note Provisions only apply to Notes issued at a discount to their principal amount and which will not bear interest)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining Amortised Face Amount payable: []
- (Consider applicable Day Count Fraction if euro denominated)*

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(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions [8(i)(ii)(d)] and 8(i) of the General Conditions apply/specify other]

19. **Underlying Linked Notes Interest Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Interest Amount/ Interest Rate: [See the Schedule attached hereto/specify] per Specified Denomination]

(ii) Interest Period(s): []

(iii) Interest Payment Date(s): []

(iv) Interest Period End Date(s): [Interest Payment Date(s)/ [] in each year [adjusted in accordance with [specify Business Day Convention]/not adjusted]]

(v) Day Count Fraction: []

(vi) Specified Valuation Date(s): [*Specify in respect of an Interest Payment Date*] [[Each such date shall be subject to adjustment [as provided in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the Conditions]/specify]] [[In respect of an Underlying,] [e][E]ach Scheduled Trading Day for [the/all the/such] Underlying[s] during [*specify period*]. The provisions of Condition 7(c) [and Condition 7(d)] of the General Conditions] shall not apply in respect of [each] such Specified Valuation Date]

[[] (being the expiry date of the Dividend Futures Contract on which the final settlement price of the Dividend Futures Contract is expected to be announced by the Dividend Futures Contract Sponsor and published on the Exchange) or, if such final settlement price is not so announced and published and, on or prior to such Specified Valuation Date, the relevant Dividend Futures Contract Sponsor has announced arrangements for the publication of such final settlement price on another date then, subject as provide in the applicable Underlying Schedule, such Specified Valuation Date shall be the date on which the final settlement price of the Dividend Futures Contract is then scheduled to be published by the relevant Dividend Futures Contract Sponsor (the **[Final] Valuation Date**)]

(Insert for Notes linked to Dividend Futures Contracts where the Relevant Price for the relevant Specified Valuation Date is specified to be the "final settlement price" in item 38 below)

(vii) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable [Condition [7(c)(i)] of the General Conditions applies]]

(viii) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable [Condition [7(d)(i)] of the General Conditions applies]]

(In relation to determination of Underlying Levels, specify adjustments to Valuation Dates where different to the Conditions)

(ix) Valuation Roll: []/[Eight] [Not Applicable]

(If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)

20. **Dual Currency Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Exchange rate/method of calculating exchange rate: [give details]

(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []

(iii) Provisions applicable where calculation by reference to exchange rate impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]

(iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. **Issuer Call:** [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): []

(iii) Redemption in whole or in part: [Redemption in whole/Redemption in part (and, if redemption in part, method of selecting Notes for redemption, if other than as set-out in Condition 8(e))]

(iv) If redeemable in part:

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(a) Minimum Redemption []
Amount:

(b) Higher Redemption []
Amount:

(v) Notice period (if other than as [] *(N.B. If setting notice periods which are set out in the General different to those provided in the Conditions, the Issuer Conditions):* *is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example between the Issuer and the Trustee)*

22. **Investor Put:** [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):

(iii) Notice period (if other than as [] *(N.B. If setting notice periods which are set out in the General different to those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example between the Issuer and the Trustee)*

23. **Final Redemption Amount for each Note:** [Par/specify amount/See item 24 below *(N.B. only applicable in relation to Underlying Linked Notes)*]/
[Physical Settlement]

(Details may be set out in the Fungible Pricing Supplement)

24. **Underlying Linked Notes Redemption Provisions:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Final Redemption Amount for Underlying Linked Notes: [See the Schedule attached hereto][Specify] per Specified Denomination]

(ii) Specified Valuation Date(s): [Specify][[Each] such date shall be subject to adjustment [as provided in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) /specify]] [[In respect of an Underlying,] Each Scheduled Trading Day for [the/all the/such] Underlying[s] during [specify

period]. The provisions of Condition 7(c) [and Condition 7(d)] of the Conditions shall not apply in respect of [each] such Valuation Date]

[[] (being the expiry date of the Dividend Futures Contract on which the final settlement price of the Dividend Futures Contract is expected to be announced by the Dividend Futures Contract Sponsor and published on the Exchange) or, if such final settlement price is not so announced and published and, on or prior to such Specified Valuation Date, the relevant Dividend Futures Contract Sponsor has announced arrangements for the publication of such final settlement price on another date then, subject as provide in the applicable Underlying Schedule, such Specified Valuation Date shall be the date on which the final settlement price of the Dividend Futures Contract is then scheduled to be published by the relevant Dividend Futures Contract Sponsor (the **[Final] Valuation Date**)]

(Insert for Notes linked to Dividend Futures Contracts where the Relevant Price for the relevant Specified Valuation Date is specified to be the "final settlement price" in item 38 below)

- (iii) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition [7(c)(i)] of the General Conditions applies]
- (iv) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition [7(d)(i)] of the General Conditions applies]
- (v) Valuation Roll: []/[Eight] [Not Applicable]

(If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)

25. Investor Put for taxation reasons pursuant to Condition 8(c): [Applicable/Not Applicable]

26. **Mandatory Early Redemption Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Mandatory Early Redemption Event: [See the Schedule attached hereto/Specify]
- (ii) Mandatory Early Redemption Amount(s): [See the Schedule attached hereto/specify in respect of a Mandatory Early Redemption Date and each Specified Denomination]
- (iii) Mandatory Early Redemption [See the Schedule attached hereto/Specify]

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Date(s):

(iv) Specified Valuation Date(s): [Specify in respect of a Mandatory Early Redemption Date] [[Each] such date shall be subject to adjustment [as provided in Condition 7 of the General Conditions/specify]] [[In respect of an Underlying,] Each Scheduled Trading Day for [the/all the/such] Underlying[s] during [specify period]. The provisions of Condition 7(c) [and Condition 7(d)] of the General Conditions shall not apply in respect of [each] such Specified Valuation Date]

[[] (being the expiry date of the Dividend Futures Contract on which the final settlement price of the Dividend Futures Contract is expected to be announced by the Dividend Futures Contract Sponsor and published on the Exchange) or, if such final settlement price is not so announced and published and, on or prior to such Specified Valuation Date, the relevant Dividend Futures Contract Sponsor has announced arrangements for the publication of such final settlement price on another date then, subject as provide in the applicable Underlying Schedule, such Specified Valuation Date shall be the date on which the final settlement price of the Dividend Futures Contract is then scheduled to be published by the relevant Dividend Futures Contract Sponsor (the **[Final] Valuation Date**)]

(Insert for Notes linked to Dividend Futures Contracts where the Relevant Price for the relevant Specified Valuation Date is specified to be the "final settlement price" in item 38 below)

(v) Valuation Disruption (Scheduled Trading Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition 7(c)(i) of the General Conditions applies]

(vi) Valuation Disruption (Disrupted Days): [Move in Block/Value What You Can/Not Applicable/specify][Condition 7(d)(i) of the General Conditions applies]

(vii) Valuation Roll: []/[Eight] [Not Applicable]

(If no Valuation Roll is stated, Specified Maximum Days of Disruption will be equal to eight)

27. **Instalment Notes:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Instalment Amount(s): []

(ii) Instalment Date(s): []

28. **Provisions applicable to Physical Settlement:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. if the Notes are Physical Settlement Notes, physical delivery of any Relevant Asset(s) must be made in compliance with the provisions of the United States Securities Act 1933)*
- (i) Entitlement: [In respect of each Specified Denomination and subject as provided in Condition 9(iv) of the General Conditions][Specify]
- (ii) Relevant Asset(s): [As specified above/The relevant assets to which the Notes relate [is/are][the Charged Assets/the Underlying]]
- (iii) Delivery Method and details required for delivery using such Delivery Method: [Specify]
- (iv) Settlement Business Day(s): [Specify]
- (v) Failure to Delivery due to Illiquidity: [Applicable/Not Applicable]
- (vi) Aggregation of Entitlements: [Applicable/Not Applicable]
- [Rounding: [Up/Down]]
- (N.B. Only applicable where Aggregation of Entitlements is specified as Not Applicable)*
- (vii) Cash Adjustment: [Applicable/Not Applicable]
- [The value of the Fractional Entitlement shall be determined by the Calculation Agent [by reference to the Underlying Closing Level] of the Underlying on [specify]]
- Tradeable Amount: [1/Specify]
- (viii) [For the purpose of Condition 9, the manner of determining *(only applicable for Notes that are rated by a Rating Agency. If not applicable, delete this paragraph)*
- (A) the Disruption Cash Settlement Amount: [specify]
- (B) the Failure to Deliver Redemption Amount: [specify]
- (C) the amount of each [specify]

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Substitute Asset:

(D) the Alternate Cash Redemption Amount: *[specify]*

29. **Variation of Settlement** [Applicable/Not Applicable]
- (i) Issuer's option to vary settlement: [The Issuer has the option to vary settlement in respect of the Notes pursuant to Condition 9(vii) of the General Conditions][Not Applicable]
- (ii) Holder's option to vary settlement: [The Noteholder [has/does not have] the option to elect for settlement [by way of cash payment/by way of physical settlement][, subject as provided in the General Conditions to the Issuer's right to cash settlement upon redemption of the Notes]][Not Applicable]
30. Whether the Issuer is able to purchase any of the Notes pursuant to Condition 10 of the General Conditions: [Yes/No]
31. Method of selecting the Notes, to be redeemed in the case of a partial redemption of any Class or Series of Notes: [To be selected individually by lot/to be selected in accordance with the order of priorities relating to the repayment of principal of the Notes and, within any Class of Notes, on a *pari passu* basis/Not Applicable]

PROVISIONS RELATING TO THE SECURITY

32. **Charged Assets:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- (i) Details of Charged Assets: [Specify][See Paragraph 9 of Part B (*The Charged Assets*) below for further details in relation to the Charged Assets.]
- [The Charged Assets are ISDA Counterparty Collateral]
- (Where there are Charged Assets (other than ISDA Counterparty Collateral) and a Charged Agreement comprising a Swap Agreement and part (but not all) of the Charged Assets may become due and repayable at a date prior to their stated maturity such that Condition 8(b) or 8(c) could apply, consideration needs to be given to the terms of any purchase/termination of such Charged Agreement)*
- (ii) Security over Charged Assets created in Trust Deed and/or Charging Document: [Trust Deed]
[Charging Document]
[Trust Deed and Charging Document]
- (iii) Governing law of Charged Assets: []

(iv) Counterparty's account details []
 (being the account to which the Custodian will credit amounts received by it in respect of the Charged Assets):

(v) Charged Asset Substitution: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(A) Replacement Charged Asset Criteria: [The definition of "Replacement Charged Asset Criteria" in Condition 3(b) applies/(specify other terms and/or other additional requirements relating to such substitution)]

(B) Additional Replacement Charged Asset Criteria: [Not Applicable/(specify other criteria e.g. any rating or governing law requirements for the new assets)]

(vi) Custodian's account details: []

33. **Credit Support Document:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Details of Credit Support Document: []

(ii) Governing law of Credit Support Document: []

34. **Charging Document:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Details of Charging Document: []

(ii) Governing law of Charging Document: []

35. **Charged Agreements:** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

(i) Swap Agreement: [The Swap Agreement comprises an ISDA Master Agreement dated as of [26 June 2012] between the Issuer and the Counterparty including the Schedule thereto [and the ISDA Credit Support Annex (English law transfer) to such ISDA Master Agreement] (as amended and/or restated and/or supplemented from time

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to time, the **Agreement**) and a swap transaction between the Issuer and the Counterparty as evidenced by an amended and restated confirmation dated [] (the **Confirmation**), which supplements, forms a part of and is subject to the Agreement (as such may be amended and supplemented from time to time) (*N.B. the Credit Support Annex is only applicable to Collateralised Transactions and the transaction must be specified as a "Collateralised Transaction" in the applicable confirmation in order for the provisions of the Credit Support Annex to apply. Consideration should be given to the provisions of the Credit Support Annex for certain rated transactions*)]

(If the Swap Agreement is not comprised of an ISDA Agreement, insert relevant details here.)

(ii) Details of the Counterparty's rights to assign and/or to delegate its rights and obligations: []

(iii) Swap Guarantee:

[Applicable. The Swap Guarantee dated as of 26 June 2012 shall apply and, for which purpose, the transaction is specified in the Confirmation to be a "Guaranteed Transaction"]*[specify]*[Not Applicable]

(NB if the Counterparty, pursuant to an ISDA Agreement, is Citigroup Global Markets Limited or Citigroup Financial Products Inc, then. the Confirmation must specify that the transaction is a "Guaranteed Transaction" in order for the provisions of the Swap Guarantee to apply)

(iv) Additional Swap Termination Events:

[specify][Not Applicable]

(v) Governing law of Swap Agreement and Swap Guarantee (if any):

[The Swap Agreement is governed by English law]

[The Swap Guarantee is governed by New York law]

36. Other relevant details relating to the Mortgaged Property:

(i) Security Ranking Basis:

[Primary Basis/*Pari Passu* Basis/Secondary Basis/*(specify other)*]

(ii) Order of priorities, prior to enforcement of the security for the Notes, for application of the proceeds of the Charged Assets and any other security forming part of the Mortgaged Property:

[As set out in Clause 11 of the Master Trust Deed/*(specify other)*]

- (iii) Whether or not the Mortgaged Property is secured in favour of any other Class of Notes: [Not Applicable][Yes – *insert details of other Class and ranking/No*]
- (iv) Any other applicable security interests for the purposes of Condition 3(a)(ii)(C): [Not Applicable/(*specify*)]
- (v) Other: [*Specify additional duties of the Custodian/details of a different order for the application of funds other than that set out in Clause 11 of the Master Trust Deed/details of any additional terms on which the Custodian holds any Charged Assets*]
37. Principal Paying Agent's account details (being the account to which the Issuer will credit amounts payable under the Notes and to which the Counterparty (if any) will credit amounts payable under the Swap Agreement to the Principal Paying Agent on behalf of the Issuer): [To be notified to the Issuer (with a copy to the Custodian and the Counterparty) in writing not less than [five] Business Days prior to the date upon which any payment in respect of the Notes is to be made]

PROVISIONS RELATING TO UNDERLYING LINKED NOTES

38. **Underlying Linked Notes Provisions:** [Applicable – the provisions in Condition 7 of the General Conditions apply (subject as provided in the relevant Underlying Schedule)][Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Underlying:
(the following information may be tabulated)
- (A) Description of Underlying(s): (*Specify each Underlying*)
- (B) Classification: [Share Index/Inflation Index/Commodity Index/Commodity/Share/Depositary Receipt/ETF Share/Mutual Fund Interest/FX Rate/Proprietary Index/Dividend Futures Contract/*other*]
- (C) Electronic Page: []
- (ii) Particulars in respect of each Underlying: (*Delete the sub-paragraphs which are not applicable*)
(the following information may be tabulated)
 [Share Index/Indices: (*Specify for each Share Index*)

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- (A) Type of Index: [Single Exchange Index/Multiple Exchange Index]
- (B) Exchange(s): []
(NB: Only required in relation to Single Exchange Indices)
- (C) Related Exchange(s): [Specify/All Exchanges]
- [Inflation Index/Indices: *(Specify for each Inflation Index)*
- (A) Fallback Bond: [Applicable: The definition set out in Condition 1 of the Inflation Index Conditions shall apply/specify][Not Applicable]
- (B) Revision of level of Inflation Index: [Revision/No Revision]
(NB: If neither "Revision" nor "No Revision" is specified, "No Revision" will be deemed to apply)
- [Commodity/Commodities: *(Specify for each Commodity)*
- (A) Commodity Price: [[high price][low price][average of high and low prices][closing price][opening price][bid price][asked price][average of bid and asked prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][other] [per [insert unit]] of [insert commodity] on [the relevant Exchange/specify] [of the [relevant] Futures Contract for the [relevant] Delivery Date] as made public by [the [relevant] Exchange] on [the [relevant] Price Source]] [specify][Fallback Commodity Dealers]
- (B) Delivery Date: [date] [month and year] [[First/Second/Third/other] Nearby Month] [specify method]
- (C) Exchange(s): []
- (D) Price Source: []
- (E) Scheduled Trading Day: []
(NB: Only applicable if the definition for Bullion Commodities in the Commodity Conditions is not applicable)
- [Share/Shares: *(Specify for each Share)*
- (A) Share Company: []
- (B) Exchange(s): []
- (C) Related Exchange(s): [Specify/All Exchanges]
- [Depository Receipt/Receipts: *(Specify for each Depository Receipt)*

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- (A) Full Lookthrough: [Applicable/Not Applicable]
- (B) Partial Lookthrough: [Applicable/Not Applicable]
- (C) Depositary Receipt Exchange(s): []
- (D) Depositary Receipt Related Exchange(s): [Specify/All Exchanges]
- (E) Underlying Share Company: []
- (F) Underlying Share Exchange(s): []
- (G) Underlying Share Related Exchange(s): [Specify/All Exchanges]
- [ETF Share/Shares: *(Specify for each ETF Share)*
- (A) Fund: []
- (B) Exchange(s): []
- (C) Related Exchange(s) [Specify/All Exchanges]
- [Mutual Fund Interest/Interests: *(Specify for each Fund Interest)*
- (A) Mutual Fund: []
- (B) Scheduled Trading Day: [Scheduled Interim Valuation Date/Scheduled Redemption Valuation Date]
- [FX Rate/Rates: *(Specify for each FX Rate)*
- (A) Base Currency: []
- (B) Quote Currency: []
- (C) Event Currency /Currencies: [Specify if different to the FX Rate Conditions]
- (NB: only required if "General Inconvertibility", "General Non-Transferability", "Material Change in Circumstances", "Nationalisation", "Specific Inconvertibility" or "Specific Non-Transferability" are specified as Currency Disruption Events below)*
- (D) Specified Financial Centres: []
- [Proprietary Index/Indices:
- (A) Scheduled Trading Day: *[Specify if different to the Proprietary Index*

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Conditions/A Scheduled Trading Day shall be an "Index Business Day" as defined in the Index Conditions]]

[Dividend Futures Contract(s):

(A) Exchange(s): []

(B) Relevant Price: In respect of [the/a] [Final] Valuation Date:

[the "daily settlement price" (however defined in the contract specifications of the Dividend Futures Contract or by the relevant Exchange, as the case may be)]

[the "final settlement price" (however defined in the contract specifications of the Dividend Futures Contract or by the relevant Exchange, as the case may be) of the Dividend Futures Contract on such [Final] Valuation Date. The provisions of Condition 7(c) and Condition 7(d) of the General Conditions shall not apply in respect of such [Final] Valuation Date]

[Specify other]

(N.B. Where "final settlement price" is specified as the Relevant Price, the additional wording set out in item 19(vi), item 24(ii) and/or item 26(iv) above should be included and Condition 7(c) and Condition 7(d) of the General Conditions should be specified as Not Applicable)]

(iii) Elections in respect of each type of Underlying: *(Delete the sub-paragraphs which are not applicable)*
(the following information may be tabulated)

[Share Index/Indices:

(A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Loss of Stock Borrow]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

(B) Share Index Substitution Criteria: [Specify/As determined by the Calculation Agent]

[Inflation Index/Indices:

(A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

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- (B) Reference Month(s): [In respect of a Valuation Date [specify]]
- (C) Manifest Error Cut-off Date: [2 Business Days prior to the [relevant] Payment Date/Specify]
(NB: If no Manifest Error Cut-off Date is specified, the cut-off date will be 2 Business Days prior to any relevant Payment Date)
- (D) Revision Cut-off Date: [2 Business Days prior to the [relevant] Payment Date/Specify]
(NB: If no Revision Cut-off Date is specified, the cut-off date will be 2 Business Days prior to any relevant Payment Date)

[Commodity Index/Indices:

- (A) Additional Adjustment Tax Disruption: [Applicable/Not Applicable]
 Event: *(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)*
- (B) Additional Disruption [Hedging Disruption]
 Event(s): [Increased Cost of Hedging]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (C) Commodity Index Substitution Criteria: [Specify/As determined by the Calculation Agent]
- (D) Commodity Component Valuation: [Applicable/Not Applicable]

[Commodity/Commodities:

- (A) Additional Disruption [Hedging Disruption]
 Event(s): [Increased Cost of Hedging]
(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (B) Commodity Dealers [The definition set out in Condition 1 of the Commodity Conditions shall apply/Specify]
(NB: If no Commodity Dealers are specified, the Commodity Dealers shall be four leading dealers in the relevant market selected by the Calculation Agent)
- (C) Disruption Event(s): [Condition 3(a) of the Commodity Conditions applies]
 [Disappearance of Commodity Price]
 [Material Change in Content]
 [Material Change in Formula]
 [Price Source Disruption]
 [Tax Disruption]

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[Trading Disruption (*specify any additional futures/options contracts*)]

- (D) Disruption Fallback(s): [Condition 3(b) of the Commodity Conditions applies.]
 [The following Disruption Fallbacks apply, in the following order:
 [Fallback Commodity Price (*specify alternative Commodity Price*)]
 [Fallback Commodity Dealers]
 [Delayed Publication and Announcement]
 [Postponement]
 [Calculation Agent Determination]
 [Cancellation]
 [*specify other*]]

[Share/Shares:

- (A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Loss of Stock Borrow]
 (*Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions*)

- (B) Share Substitution Criteria: [Reference Index/specify/As determined by the Calculation Agent]]

[Depository Receipt/Receipts:

- (A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Loss of Stock Borrow]
 (*Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions*)

- (B) Depository Receipt Substitution Criteria: [*Specify/As* determined by the Calculation Agent]]

[ETF Share/Shares:

- (A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Loss of Stock Borrow]
 (*Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions*)

- (B) ETF Share Substitution Criteria: [*Specify/As* determined by the Calculation Agent]]

[Mutual Fund Interest/Interests:

- (A) Additional Disruption [Asset Trigger Event]

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Event(s): [Delisting – *if applicable also specify the relevant Exchange*]
 [Hedging Disruption]
 [Holding Ratio Change]
 [Increased Cost of Hedging]
 [Limitation Event]
 [Fees or Charges Event]
 [Fund Adviser Event - *specify AUM Threshold if different to the Conditions*]
 [NAV Trigger Event]
 [New Information Event]
 [Non Currency Redemption]
 [Related Agreement Termination – *specify other relevant party (if any)*]

(B) Mutual Fund Interest Substitution Criteria: [Specify/As determined by the Calculation Agent]

[FX Rate/Rates:

(A) Additional Disruption Event(s): [Hedging Disruption]
 [Increased Cost of Hedging]

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)

(B) Currency Disruption Event(s): [Dual Exchange Rate]
 [General Inconvertibility]
 [General Non-Transferability]
 [Governmental Authority Default]
 [Illiquidity]
 [Material Change in Circumstances]
 [Nationalisation]
 [Price Materiality – *if applicable also specify "Primary Rate", "Secondary Rate" and "Price Materiality Percentage"*]
 [Specific Inconvertibility]
 [Specific Non-Transferability]
 [Specify other]
(Specify the Currency Disruption Events which apply (if any) and the related definitions)

[Proprietary Index/Indices:

(A) Additional Disruption Event: [Specify any Additional Disruption Events]
 [Hedging Disruption]
 [Increased Cost of Hedging]

(B) Additional Adjustment Event: Tax Disruption: [Applicable/Not Applicable]

(C) Component Valuation: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs)

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of this paragraph)

- (D) [Component Valuation Roll: []/[eight]
- (E) [Component Disrupted Day:] [Specify if different to the Proprietary Index Conditions/A Component Disrupted Day in respect of a Component shall be a "Disrupted Day" as defined for such Component in the Index Conditions]
- (F) [Component Scheduled Trading Day:] [Specify if different to the Proprietary Index Conditions/A Component Scheduled Trading Day in respect of a Component shall be a "Scheduled Trading Day" as defined for such Component in the Index Conditions]]
- (G) Proprietary Index Substitution Criteria: [specify/As determined by the Calculation Agent]

[Dividend Futures Contract(s):

- (A) Additional Disruption Event(s): [Hedging Disruption]
[Increased Cost of Hedging]
[Specify other]

(Additional Disruption Events should be specified as "Not Applicable" for certain rated transactions)
- (B) Dividend Futures Contract Substitution Criteria: [specify/As determined by the Calculation Agent]

- (iv) Trade Date: The Trade Date of the Tranche 1 Notes is [] and the Trade Date of the Tranche [] Notes is []
- (v) Realisation Disruption: [Applicable/Not Applicable]

(Realisation Disruption should be specified as "Not Applicable" for certain rated transactions)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 39. Form of Notes: Registered Notes:

[Unrestricted Global Note registered in the name of a nominee for Euroclear and Clearstream, Luxembourg which is exchangeable for Definitive Registered Notes in the limited circumstances described in the Unrestricted Global Note]

[Restricted Global Note registered in the name of a nominee for DTC which is exchangeable for Definitive Registered Notes in the limited circumstances described in the Restricted Global Note]

- [Individual Certificate(s)]
40. Business Centres: [Not Applicable/*give details*]
41. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]
(*NB: this item relates to the date and place of payment*)
42. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons measure): Not Applicable
43. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions [of Condition 23 of the General Conditions] apply]

(*NB: if the Notes are floating rate Notes, the provisions of Condition 24 contemplate that the applicable Fungible Pricing Supplement will specify any relevant changes to the provisions relating to interest for such Notes*)
44. Other final terms or special conditions: [Not Applicable/*give details*]
45. Determinations: [The provisions of Condition 17(c) of the General Conditions apply][Any matter falling to be determined, considered, elected, selected or otherwise decided upon by [the Agent Bank, the Calculation Agent, the Redemption Agent,] the Issuer or any other person shall be determined, considered, elected, selected or otherwise decided upon by such person in [good faith and in a commercially reasonable manner/specify other]]

DISTRIBUTION

46. (i) If syndicated, names and addresses of Managers and details of underwriting commitments: [Not Applicable/ *names, addresses and underwriting commitments*]

(*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis in such entities are not the same as the Managers*)
- (ii) Date of [Subscription] Agreement: [Not Applicable/*give date*]
- (iii) Name and address of relevant Stabilising Manager (if any): [Not Applicable/*give name*]
47. If non-syndicated, name and address of relevant Dealer: [Not Applicable/*give name and address*]

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48. Notes issued to relevant Dealer(s): [As principal/As agent/Not Applicable]
49. Total commission and concession: [*specify*] per cent. of the Aggregate Principal Amount
50. Exemption from registration as an "investment company" under Section 3(c)(7) of the U.S. Investment Company Act: [Applicable/Not Applicable]
51. Non exempt Offer: Not Applicable
52. Additional selling restrictions [Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

[This Fungible Pricing Supplement comprises the final terms required for the issue [and] [admission to the Official List of the Luxembourg Stock Exchange/[specify]] [and to trading on [the Euro MTF market of the Luxembourg Stock Exchange/[specify]]] of the Tranche [] Notes described herein pursuant to the Secured Note Programme Serenade Investment Corporation SA.]

RESPONSIBILITY

The Issuer [and the Issuer Credit Enhancer] accepts responsibility for the information contained in this Fungible Pricing Supplement. [[specify in relation to disclosure on Underlying or Charged Assets or otherwise] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Acceptance on behalf of the
Issuer of the terms of this Fungible Pricing
Supplement

[Acceptance on behalf of the
Issuer Credit Enhancer of the terms of this Fungible
Pricing Supplement

For and on behalf of

For and on behalf of

Serenade Investment Corporation SA
acting in respect of the [] Compartment

By

By

Duly authorised

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange]/[specify]/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Euro MTF market of the Luxembourg Stock Exchange]/[specify] with effect from [specify].]/[Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)

2. RATINGS

Ratings: [Not Applicable/The Notes to be issued are expected, on issue, to be assigned a rating of:

[specify assigning agency]: []]

[For the purpose of the Agency Agreement and the Custodial Services Agreement, the Relevant Minimum Rating is [insert agreed Relevant Minimum Rating]]

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

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

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

[In relation to any Charged Assets which are securitised assets: Give name, address and significant business activities of the administrator, calculation agent or equivalent (if any) together with a summary, if applicable, of the administrator's/calculation agent's responsibilities, their relationship with the obligor in respect of the Charged Assets and a summary of the provisions relating to termination of the appointment of such entity/provisions for appointing an alternative].

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

- (i) [Reasons for the Offer:] [specify if different from that described in "Use of Proceeds" in the Offering Circular].
- (ii) [Estimated net proceeds of the [specify].
Tranche [] Notes:]

5. **[YIELD (Fixed Rate Notes only)**

[Indication of yield:]

[specify].

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

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

6. **[HISTORIC INTEREST RATES (Floating Rate Notes only)**

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

7. **[PERFORMANCE OF THE UNDERLYING(S), EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING(S)**

[Include details of where past and further performance and volatility of the Underlying can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident].

[Where the Underlying is an index include here the name of the index and a description if composed by the Issuer or, if the index is not composed by the Issuer, details of where the information about the index can be obtained.]

[Where the Underlying is not an index include here equivalent information on the underlying]

[Where the Underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the Underlying is a basket of Underlyings, need to include the relevant weightings of each Underlying in the basket]

[Need to include a description of any market disruption or settlement disruption events that affect the Underlying and any adjustment rules in relation to events concerning the underlying (if applicable) and to the extent not already contained in the Conditions]

[Set out structure of issue if not set out in item 9 below]

8. **UNDERLYING DISCLAIMER**

[Insert applicable disclaimers relating to the Underlying]

[Bloomberg®

Certain information contained in this Fungible Pricing Supplement consists of extracts from or summaries of information that is publicly-available from Bloomberg L.P. (**Bloomberg®**). The Issuer [and the Issuer Credit Enhancer] accept[s] responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer [and the Issuer Credit Enhancer] [are/is] aware and [are/is] able to ascertain from such publicly-available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Bloomberg® makes no representation, warranty or undertaking, express or implied, as to the accuracy of the reproduction of such information, and accepts no responsibility for the reproduction of such information or for the merits

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of an investment in the Notes. Bloomberg[®] does not arrange, sponsor, endorse, sell or promote the issue of the Notes.]

[Proprietary Index Disclaimer

None of the Issuer [the Issuer Credit Enhancer,] [] (the **Index Sponsor** [and the **Index Calculation Agent**]) for the Underlying and any of their respective directors, officers, employees, representatives, delegates or agents (each a **Relevant Person**) makes any express or implied representations or warranties as to (a) the advisability of purchasing the Notes, (b) the level(s) of the Underlying at any particular time on any particular date, (c) the results to be obtained by any investor in the Notes or any other person or entity, from the use of the Underlying or any data included therein for any purpose, (d) the merchantability or fitness for a particular purpose of the Underlying or (e) any other matter. Each Relevant Person hereby expressly disclaims, to the fullest extent permitted by applicable law, all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the Underlying. No Relevant Person shall have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages. [The Index Sponsor is not/Neither the Index Sponsor nor the Index Calculation Agent is] under any obligation to continue the calculation, publication and dissemination of the Underlying nor shall they have any liability for any errors, omissions, interruptions or delays relating to the Underlying. The Index Sponsor [and the Index Calculation Agent] shall [each] act as principal and not as agent or fiduciary of any other person.

Past performance is not indicative of future performance. Any numbers or figures presented as past performance of the Underlying prior to its launch date (however defined in the Index Conditions) may include performances calculated from back-testing simulations. Any back-testing is illustrative only and derived from proprietary models based on certain historic data and assumptions and estimates. Such back-testing information should not be considered indicative of the actual results that might be obtained from an investment or participation in the Notes. Any scenario analysis is for illustrative purposes only and does not represent the actual performance of the Underlying nor does it purport to describe all possible performance outcomes for the Underlying.

As at the date hereof, the Underlying is described in full in the Index Conditions which are set out at [Schedule []] attached hereto. Any decision to invest in the Notes should be based upon the information contained in the Base Prospectus and this Fungible Pricing Supplement only.

The Underlying is proprietary and confidential to the Index Sponsor. No person may use the Underlying in any way or reproduce or disseminate the information relating to the Underlying contained in the Base Prospectus relating to the Notes without the prior written consent of the Index Sponsor (save in respect of the distribution of the terms of the Notes using customary clearing and settlement procedures). The Underlying is not in any way sponsored, endorsed or promoted by the issuer or sponsor, as applicable, of any of its constituents.]

9. THE CHARGED ASSETS

[In relation to the Charged Assets (if any) specify each of the following which are applicable in relation to such Charged Assets, where not otherwise described in the Offering Circular

- (i) *type of assets;*
- (ii) *description of the issue structure if not as set out under "General Description of the Programme" in the Offering Circular;*
- (iii) *description of the flows of underlying assets towards the securities of the issue if not as set out under "General Description of the Programme" in the Offering Circular;*

- (iv) *amount of the securitised assets with the indication, where applicable, that in the transferor's accounts, this corresponds to all or part of the assets of the same type;*
- (v) *legislation governing the securitised assets;*
- (vi) *terms and conditions of the transfer;*
- (vii) *indication of any commitment or liability, as the case may be, which the issuer or guarantor of the bond issue has towards the transferor;*
- (viii) *if the securitised assets have a final maturity date, indication of early redemption or other maturities, dates, terms and conditions of early redemption;*
- (ix) *in the event that the assets are to be replaced by other assets, or to be added, description of the terms of the exchange and increase of securitised assets, respectively;*
- (x) *if the underlying assets are covered by one or several insurances, short description of the insurance;*
- (xi) *in the case of intangible assets, such as credit card accounts, portfolios of mortgage or other loans, leasing contracts, documentary credits or other similar assets, include general information on the composition of the underlying portfolio, and on the criteria applied for accepting additional assets to the portfolio or replacing underlying assets by other assets, and, if applicable, information on any security arrangement relating to the underlying contracts;*
- (xii) *in the case of the securitisation of a single underlying or of several underlying contracts of a single counterparty and such counterparty is not Citigroup Global Markets Limited or Citibank, N.A., set out information on such counterparty, as would be required for an issuer of bonds in Appendix II, Part I, 2.) of the rules and regulations of the Luxembourg Stock Exchange;*
- (xiii) *in the case of the securitisation of tangible assets such as real estate, aircrafts, ships or other similar assets:*
 - *in addition to the description of the assets, indication of experts' reports, if any, and the name of the expert; if future reports are planned, indication of the frequency of such reports and place where the reports can be inspected; and*
 - *if the underlying assets are operating, rental or leasing contracts, indication of the maturities and other conditions relating to such contracts; and*
- (xiv) *if the securitisation is based on financial flows generated by industrial projects or infrastructure projects, concession rights, royalties and other similar assets, include a description of the relevant project and a fair valuation of the future income.*

(In each case specified above, consideration should be given as to whether such information triggers the need for a drawdown prospectus)

10. OPERATIONAL INFORMATION

ISIN Code: [specify]

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Common Code: [specify]

Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or DTC and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
[Interests in the Notes will be accepted for settlement in Euroclear UK & Ireland (**CREST**) via the CREST Depository Interest (CDI) mechanism]

Delivery: Delivery [versus/free of] payment

Names and specified offices of additional Paying Agent(s) (if any): [specify]

Registrar and specified office: [[Citigroup Global Markets Deutschland AG, Reuterweg 16, 60323 Frankfurt, Germany] /specify other]
(Care should be taken when selecting the Registrar that there are no U.K. stamp duty or stamp duty reserve tax issues)

Transfer Agents and specified office: [Citibank, N.A, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB/specify other]

Custodian and specified office: [Citibank International Limited (Luxembourg Branch) (formerly Citibank International plc (Luxembourg Branch)), 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg/specify other]

Agent Bank and specified office: [Citibank, N.A., Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /specify other]

Exchange Agent and specified office: [Citibank N.A., Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /specify other]

Redemption Agent and specified office: [Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /specify other]

Rating Agency: [specify/Not Applicable]

11. UNITED STATES TAX CONSIDERATIONS

The Issuer will treat the Notes as equity for U.S. federal income tax purposes, and by purchasing a Note each Noteholder shall be deemed to agree to such treatment. Prospective purchasers of the Notes should consult with their own tax advisors regarding U.S. federal income tax consequences of an investment in the Notes as well as the application of state, local and foreign tax laws.

12. OTHER INFORMATION

[e.g. secondary market information]

13. SUPPLEMENTAL TRUST DEED

By executing this Paragraph 13 in Part B of this Fungible Pricing Supplement, the parties hereto agree that this section is executed as a deed and constitutes a [*specify number*] supplemental trust deed (the [] **Supplemental Trust Deed**) which supplements the supplemental trust deed entered into on [] by the parties hereto (the **First Supplemental Trust Deed**) made pursuant to Clause 2 of, and supplemental to, the Master Trust Deed dated 26 June 2012 (the **Master Trust Deed**) between, *inter alios*, the Issuer and Citicorp Trustee Company Limited as trustee (the **Trustee**). The parties to this [] Supplemental Trust Deed agree as follows:

1. The Notes issued pursuant to the Secured Note Programme described in the above Fungible Pricing Supplement are constituted and secured by and in accordance with the Master Trust Deed and this [] Supplemental Trust Deed. The Notes shall be subject to the Terms and Conditions of the Notes set forth in the Third Schedule to the Master Trust Deed as supplemented and varied by the above Fungible Pricing Supplement (except as otherwise expressed in the above Fungible Pricing Supplement).
2. The Tranche [] Notes and the Tranche [] Notes will be consolidated to form a single Series with effect from []. (*Complete for multiple Tranches as applicable*)
3. As with effect from the date hereof, the First Supplemental Trust Deed and the [] Supplemental Trust Deed shall be read and construed in relation to the Tranche [] Notes, and the Tranche [] Notes as a single deed.]. (*Complete for multiple Tranches as applicable*)
4. Terms defined in the Master Trust Deed and the Fungible Pricing Supplement shall have the same meanings when used herein unless the context requires otherwise or unless otherwise stated.
5. The Master Trust Deed shall henceforth be read and construed in conjunction with the First Supplemental Trust Deed and this [] Supplemental Trust Deed as one document.
6. A memorandum of this [] Supplemental Trust Deed shall be endorsed by the Trustee on the Master Trust Deed and by the Issuer on the duplicate thereof.
7. [The Issuer hereby notifies the Counterparty (or Counterparties) referred to in the above Fungible Pricing Supplement that by this [] Supplemental Trust Deed the Issuer has assigned by way of a first ranking assignment in favour of the Trustee all its rights, title and interest in and to the Swap Guarantee (if any) and each Swap Agreement (if any) referred to in the above Fungible Pricing Supplement.]

IN WITNESS whereof this Supplemental Trust Deed has been executed as a deed by each of the signatories hereto and delivered on the date of the above Fungible Pricing Supplement.

SIGNATORIES:

EXECUTED as a DEED by)
SERENADE INVESTMENT)
CORPORATION SA)
 acting in respect of the [])
 Compartment by)
 acting under the authority of)
 that company)

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EXECUTED as a **DEED** by)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by)
acting under the authority of)
that company)
in the presence of)

Witness's Signature:)
Name:

Address: [Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB]

[EXECUTED as a **DEED** by)
CITIGROUP GLOBAL MARKETS)
LIMITED)
in its capacity as Counterparty)
acting under the authority of)
that company)
in the presence of:

Witness's Signature:)
Name:

Address: [Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB]]

[delete if not a Counterparty in respect of the Notes]

[EXECUTED as a **DEED** by)
CITIGROUP FINANCIAL PRODUCTS INC.)
in its capacity as Counterparty)
acting under the authority of)
that company)
[delete if not a Counterparty in respect of the Notes]

[EXECUTED as a **DEED** by)
CITIBANK, N.A.)
in its capacity as Counterparty)
acting under the authority of)
that company)
[delete if not a Counterparty in respect of the Notes]

USE OF PROCEEDS

The net proceeds from each Tranche of Notes will be applied by the Issuer to: (a) purchase any Charged Assets applicable to such Tranche (other than Charged Assets comprised of ISDA Counterparty Collateral); (b) enter into or pay any amount required under or in respect of any related Charged Agreements and/or the Credit Support Document(s); and/or (c) pay any expenses and applicable fees in connection with the administration of the Issuer.

THE CHARGED AGREEMENT

The Charged Agreement when comprised of an agreement other than a Swap Agreement

Where a Charged Agreement is not documented on the basis of a Swap Agreement, the below summary shall not apply and reference should be made to the terms of the relevant Charged Agreement, the Terms and Conditions and the applicable Pricing Supplement to understand the features thereof.

The Charged Agreement when comprised of a Swap Agreement

The following is a summary of certain features of any Charged Agreement to be entered into which is documented on the basis of a Swap Agreement and is qualified by reference to the detailed provisions of such Swap Agreement.

Payments under the Swap Agreement

If so specified in the applicable Pricing Supplement, the Issuer has entered into an ISDA Master Agreement (including the Schedule thereto) dated as of a date on or before the Issue Date of the relevant Notes and one or more Confirmations thereto each with an effective date of the Issue Date of the relevant Notes with the relevant Counterparty.

Under the Swap Agreement:

- (a) the Counterparty will (i) make certain payments to the Issuer in respect of amounts due, or assets deliverable, under the Notes; and (ii) deliver any Charged Assets to, or to the order of, the Issuer on the issue date; and
- (b) the Issuer will make certain payments to the Counterparty in respect of sums received by the Issuer (i) under the Notes (including, the issue proceeds); or (ii) in respect of the Charged Assets (if any).

Termination of Swap Agreement

The Swap Agreement will terminate on the Maturity Date unless terminated earlier in accordance with the terms thereof.

Early Termination

The circumstances in which the Swap Agreement may be terminated early include, but are not limited to, the following:

- (a) all or any of the relevant Notes become payable in whole in accordance with their respective Conditions prior to the Maturity Date or there is a default by the Issuer or obligor of the relevant Charged Assets (other than Charged Assets comprising ISDA Counterparty Collateral) or all or any of the relevant Notes are purchased by the Issuer;
- (b) at the option of the Issuer or the Counterparty, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation under the Swap Agreement and upon the occurrence of certain other events with respect to either party to the Swap Agreement, including a breach of representation, insolvency or (with respect to the Counterparty only) merger without an assumption of the obligations in respect of such Swap Agreement, tax event upon merger and credit support default; and

- (c) if (subject as provided in the Swap Agreement) withholding taxes are imposed on payments made by the Issuer or the Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement (see "*Transfer to avoid Termination Event*" below).

If there is more than one Charged Agreement, termination of one Charged Agreement will result in termination of all other Charged Agreements.

Any Series specific circumstances in which a Swap Agreement relating to a particular Series may be terminated early will be indicated in the applicable Pricing Supplement under the heading "*Additional Swap Termination Events*".

Consequences of Early Termination

The following is a description of the termination payment payable under the Swap Agreement entered into between the Issuer and the Counterparty in respect of the relevant Series (or Class within that Series, as the case may be) and is qualified by reference to the detailed provisions of the relevant Swap Agreement.

Upon the early termination of a Swap Agreement, the Issuer or the Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination).

In all cases of early termination of a Swap Agreement occurring, other than by reason of (i) a default by the Counterparty (in which case the determination will be made by the Issuer) or (ii) an illegality, tax event or tax event upon merger (in which case the party which is not the Affected Party (as defined in the Swap Agreement) will make the determination (or, if there are two Affected Parties, each party will make a determination which will be averaged)), the termination payment (being the "Close-Out Amount" as defined and determined in accordance with the Swap Agreement) will be determined by the Counterparty. In summary, this will be determined as the amount of the losses or costs of the determining party in replacing or providing for the economic equivalent of the terminated transactions determined on the basis of either (i) quotations from third parties and/or (ii) relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant data and/or (iii) information from internal sources of the type described in (i) and (ii) above as long as it is of the type that would be used by the determining party in the regular course of its business for the valuation of similar transactions. For further details please see the definition of "Close-Out Amount" as defined in the Swap Agreement.

Any amounts that became due and payable by the Issuer or the Counterparty under a Swap Agreement before termination of such Swap Agreement but were not paid are also taken into account when determining the termination payment upon early termination of a Swap Agreement.

Upon an early termination of a Swap Agreement, there is no assurance that the termination payment payable by the Counterparty to the Issuer (if any) will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts thereof that are due.

Taxation

Neither the Issuer nor the Counterparty is obliged under the Swap Agreement to make any additional payment under the Swap Agreement if any withholding or deduction for or on account of tax is imposed on any payment thereunder or under the relevant Notes.

Transfer to avoid Termination Event

If any withholding or deduction for or on account of tax is imposed on payments to be made by the Issuer or the Counterparty under the Swap Agreement, then the Counterparty shall, at its sole option, have the right to

THE CHARGED AGREEMENT

require the Issuer to either (i) transfer all of its interests and obligations under the relevant Swap Agreement, together with its interests and obligations under the relevant Charged Assets, the relevant Notes, the Dealer Agreement, the Trust Deed, the Agency Agreement and the Custodial Services Agreement and any Collateral Services Agreement to another entity which would not have any obligation to withhold or deduct or to which the relevant Counterparty would be entitled to make payments free from the relevant deduction or withholding, as applicable, subject to obtaining the prior written consent of the Trustee and confirmation from any relevant Rating Agency that any rating of the relevant Notes would not be adversely affected or (ii) transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee and confirmation from any relevant Rating Agency that any rating of the relevant Notes would not be adversely affected.

If the Issuer is unable to transfer all its interests and obligations as set out above or its tax residence in accordance with the preceding provision prior to the 30th day following the date of imposition of such withholding taxes, or if earlier, the 10th day prior to the first date on which it or the Counterparty would otherwise be required to make a payment net of withholding taxes, the Counterparty may terminate the swap transaction under the Swap Agreement.

Transfer to another Counterparty

The Counterparty may, without the consent of the relevant Noteholders or the Issuer, transfer all or part of its interest and obligations in and under the Swap Agreement to any affiliate of the Counterparty (the **Transferee**), PROVIDED THAT certain conditions set out in the Swap Agreement have been satisfied. Upon any such transfer, the Swap Agreement comprising the ISDA Master Agreement between the Issuer and the Transferee and any swap transaction between the Issuer and the Transferee as evidenced by any confirmation supplemental thereto and any guarantee relating thereto shall also be Charged Agreements and the Calculation Agent shall adjust such of the Terms and Conditions (as modified by the applicable Pricing Supplement) as it shall determine to be appropriate to reflect that the Counterparty has transferred all or part of its interest and obligations in and under the Swap Agreement to an affiliate of the Counterparty and shall determine the effective date of that adjustment.

Amendments to the Swap Agreement to comply with Dodd Frank

Where the Counterparty is Citibank, the Counterparty may, for the purposes of complying with any enactment of or supplement or amendment to, or a change in law, policy or official interpretation, implementation or application of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority, which either affects the Counterparty and/or its affiliates arising out of, or in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act (**Dodd Frank**), make amendment(s) to the Swap Agreement, at any time, at its own expense and without the need for the consent of any other party to the Swap Agreement, PROVIDED THAT:

- (a) such amendment(s) will not materially alter the economic substance of the transaction constituted by the Swap Agreement when considered as a whole;
- (b) such amendment(s) will not require any party thereto to withhold or deduct on account of any tax under the Swap Agreement;
- (c) the Swap Agreement will not terminate pursuant to its terms as a result of such amendment(s); and
- (d) no additional amount will be payable by the Issuer to the Counterparty as a result of such amendment(s).

For the avoidance of doubt, PROVIDED THAT the criteria set out in (a) to (d) above are satisfied, no consent shall be required from any party to the Swap Agreement and the parties thereto shall promptly take

such action and execute all documentation as the Counterparty may reasonably require to effect such amendment(s).

General

Except as stated under "*Transfer to avoid Termination Event*" and "*Transfer to another Counterparty*" above, neither the Issuer nor the Counterparty are, save for the assignment by way of security in favour of the Trustee under the relevant Trust Deed, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement.

Credit Support Annex

If a Swap Agreement is specified in the applicable Pricing Supplement to include a credit support annex to the ISDA Master Agreement and the transaction is specified to be a "Collateralised Transaction" in the applicable Confirmation, then the Issuer's exposure to the Counterparty under the relevant Swap Agreement will be collateralised pursuant to the terms of such credit support annex.

Under the credit support annex, the exposure of the Issuer to the Counterparty will be calculated on periodic valuation dates. If, on such a valuation date:

- (a) the exposure so calculated is greater than the collateral already posted to the Issuer by an amount in excess of the specified minimum transfer amount, then the Counterparty will be obliged to deliver to the Issuer an amount of eligible assets determined to be equal to the difference between such exposure and the collateral already posted to the Issuer; and
- (b) the exposure so calculated is less than the collateral already posted to the Issuer by an amount in excess of the specified minimum transfer amount, then the Issuer will be obliged to deliver to the Counterparty an amount of eligible assets determined to be equal to the difference between the collateral already posted to the Issuer and such exposure.

DESCRIPTION OF THE ISSUER

General

Serenade Investment Corporation SA (the **Issuer**) was incorporated in the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with unlimited duration on 19 June 2012 under the name Serenade Investment Corporation SA and is registered with the Luxembourg trade and companies register under number B. 169 602. The Issuer has been approved by the CSSF as a regulated securitisation undertaking within the meaning of articles 19 et seq. of the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**) and is supervised by the CSSF.

The Issuer is a special purpose vehicle established for the purposes of issuing asset backed securities.

The Issuer Articles were published in the *Mémorial, Recueil des Sociétés et Associations C – N° 1816 dated 19 July 2012*.

The registered office of the Issuer is 9B, Boulevard Prince Henri, L-1724 Luxembourg. The telephone number of the Issuer is +352 2020 4100.

Share Capital and Shareholders

The share capital of the Issuer is EUR31,000 divided into 310 ordinary shares with a par value of EUR100 each (**Issuer Shares**) all of which are fully paid. The issued Issuer Shares are held by, or on behalf of, Structured Finance Management Offshore Limited (the **Share Trustee**) under the terms of a declaration of trust under which the Share Trustee holds the Issuer Shares on trust for charitable and heritage bodies.

Principal activities of the Issuer

The principal activities of the Issuer are those which are set out in the Issuer's corporate objects clause, which is clause 4 of the Issuer Articles.

The corporate objects of the Issuer are to enter into, perform and serve as a vehicle for, any securitisation transactions as permitted under the Securitisation Act 2004.

The Issuer may acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, receivables and/or other goods, either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties, by issuing securities (*valeurs mobilières*) of any kind whose value or return is linked to these risks. The Issuer may assume or acquire these risks by acquiring, by any means, claims, structured deposits, receivables and/or other goods, structured products relating to commodities or assets, by guaranteeing the liabilities or commitments of third parties or by binding itself in any other way. The method that will be used to determine the value of the securitised assets will be set out in the relevant issue documents entered into by the Issuer.

The Issuer may, within the limits of the Securitisation Act 2004, proceed, so far as they relate to securitisation transactions, to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities), structured products relating to commodities or assets (including debt or equity securities of any kind), receivables, claims or loans or other credit facilities (and the agreements relating thereto) as well as all other types of assets, and (iii) the ownership,

administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above) in accordance with the provisions of the relevant issue documentation.

The Issuer may, within the limits of the Securitisation Act 2004 and for as long as it is necessary to facilitate the performance of its corporate objects, borrow in any form and enter into any type of loan agreement. It may issue notes, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, shares, beneficiary shares or parts, warrants and any kind of debt or equity securities, including under one or more issue programmes. The Issuer may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Act 2004 and provided such lending or such borrowing relates to securitisation transactions, to its subsidiaries or affiliated companies or to any other company.

The Issuer may, within the limits of the Securitisation Act 2004, give guarantees and grant security over its assets in order to secure the obligations it has assumed for the securitisation of those assets or for the benefit of investors (including their trustee or representative, if any) and/or any issuing entity participating in a securitisation transaction of the Issuer. The Issuer may not pledge, transfer, encumber or otherwise create security over some or all of its assets or transfer its assets for guarantee purposes, unless permitted by the Securitisation Act 2004.

The Issuer may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Issuer's corporate objects. The Issuer may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The board of directors of the Issuer is entitled to create one or more compartments (referencing the assets of the Issuer relating to an issue by the Issuer of securities), in each case, corresponding to a separate part of the Issuer's estate. the Issuer may appoint one or more fiduciary representatives as described in articles 67 to 84 of the Securitisation Act 2004.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate objects of the Issuer shall include any transaction or agreement which is entered into by the Issuer, PROVIDED THAT it is not inconsistent with the foregoing enumerated objects.

In general, the Issuer may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects to the largest extent permitted under the Securitisation Act 2004.

Restrictions

The Master Trust Deed contains restrictions on the activities in which the Issuer may engage without the prior written consent of the Trustee and any relevant Counterparty. Terms used in this section (*Restrictions*) are as defined in the Master Trust Deed.

Pursuant to these restrictions, the business of the Issuer is limited to: (a) the issue of Notes or entering into or incurring Permitted Indebtedness (as defined in the Master Trust Deed); (b) acquiring and owning Charged Assets or any assets used to secure any Permitted Indebtedness and the exercise of its rights and performance of its obligations in respect thereof; (c) entering into and performing its obligations under, or enforcing its rights in respect of, any agreements necessary or incidental to the Programme and/or the issue of any Notes, including the granting of security for any Notes and any agreements relating to the creation of or incidental to the creation of and the granting of security for any Permitted Indebtedness; (d) borrowing money (if appropriate and subject to the restrictions set out in the Master Trust Deed); and (e) performing any acts incidental to or necessary in connection with any of the foregoing including, without limitation, entering into

DESCRIPTION OF THE ISSUER

any swap, option, repurchase, reverse repurchase or forward foreign exchange agreement in connection with the issue of Notes or incurrence of any Permitted Indebtedness.

The assets of the Issuer will consist of, inter alia, any Charged Assets and/or the benefit of Charged Agreements and Credit Support Documents in respect of each Series of Notes and the issued and paid-up capital of the Issuer and, where appropriate, assets and the benefit of any agreements relating to any Permitted Indebtedness or any other borrowings of the Issuer. **The only assets of the Issuer available to meet claims of Noteholders of the relevant Notes are the assets comprised in the relevant collection of assets, rights and other benefits comprising the security for such Notes.**

The Notes are obligations of the Issuer and, if applicable, the Issuer Credit Enhancer. The Notes are not obligations of the Share Trustee, the Trustee, the Arranger, the Corporate Service Provider, any Counterparty, any Credit Support Provider or any obligor in respect of any Charged Assets. Furthermore, they are not obligations of, or guaranteed in any way by, any Dealer.

Capitalisation

The following table sets out the capitalisation of the Issuer as of the date of this Offering Circular.

Shareholders' Funds:

Share capital (Issued 310 ordinary shares with a par value of EUR100 each)	EUR 31,000
Total Capitalisation	EUR 31,000

Indebtedness

The indebtedness of the Issuer as at the date of this Offering Circular is set out in the table below:

Serenade Investment Corporation S.A.			Issue Value EUR	Book Value EUR	Foreign Book Value	Forex	
Compartment 2014-1	EUR	Notes Issued	20,000,000.00	20,244,519.26	-	-	-
Compartment 2014-1	EUR	Options Written	8,222,000.00	7,816,465.74	-	-	-
Compartment 2014-2	EUR	Notes Issued	20,000,000.00	20,480,337.04	-	-	-
Compartment 2014-2	EUR	Options Written	7,072,000.00	6,725,347.96	-	-	-
Compartment 2014-3	EUR	Notes Issued	2,978,628.34	3,236,636.19	3,929,600.00	USD	1.2141
Compartment 2014-4	EUR	Notes Issued	2,978,628.34	3,171,732.15	3,850,800.00	USD	1.2141
Compartment 2014-5	EUR	Notes Issued	12,286,841.90	13,406,844.58	16,277,250.00	USD	1.2141

DESCRIPTION OF THE ISSUER

Serenade Investment Corporation S.A.			Issue Value EUR	Book Value EUR	Foreign Book Value		Forex
Compartment 2014-6	EUR	Notes Issued	3,032,140.69	3,167,449.14	3,845,600.00	USD	1.2141
Compartment 2014-7	EUR	Notes Issued	49,648,132.42	53,021,447.99	64,373,340.00	USD	1.2141
Compartment 2014-8	EUR	Notes Issued	20,000,000.00	19,066,374.32	-		-
Compartment 2014-9	EUR	Options Written	10,374,615.90	10,080,451.25	-		-
Compartment 2015-1	EUR	Notes Issued	10,064,651.41	10,064,651.41	11,520,000.00	USD	1.1446
Compartment 2015-2	EUR	Notes Issued	5,302,695.54	5,302,695.54	6,000,000.00	USD	1.315
Compartment 2015-3	EUR	Notes Issued	5,913,364.38	5,913,364.38	6,730,00.00	USD	1.1381
Compartment 2015-4	EUR	Notes Issued	1,765,536.72	1,765,536.72	2,000,000.00	USD	1.1328
Compartment 2015-5	EUR	Notes Issued	1,757,314.82	1,757,314.82	2,000,000.00	USD	1.1381
Compartment 2015-6	EUR	Notes Issued	35,127,777.29	35,127,777.29	40,000,000.00	USD	1.1381
		Total EUR	216,524,327.72	220,348,945.77			

The Book Value figures for Compartments 2015-1 to 2015-6 in the above table have not been published as at the date of this Offering Circular and, therefore, the issue value has been used to calculate the total book value.

Administration, Management and Supervisory Bodies

The directors of the Issuer are as follows:

<i>Director</i>	<i>principal outside activities</i>
Mr Alain Koch	Director of Client Accounting, Structured Finance Management (Luxembourg) SA
Ms Caroline Kinyua	Client Services Manager, Structured Finance Management (Luxembourg) SA
Mr Hinnerk Koch	Managing Director, Structured Finance Management (Luxembourg) SA

DESCRIPTION OF THE ISSUER

The business address of each of the directors of the Issuer is 9B, Boulevard Prince Henri, L-1724 Luxembourg.

Structured Finance Management (Luxembourg) SA (**SFM**) is the corporate services provider of the Issuer. Its duties include the provision of certain corporate, administrative, accounting and related services. The above-mentioned contractual relationship between SFM and the Issuer may be terminated by either party with prior notice of sixty days and subject to the appointment of an alternative corporate services provider on similar terms to those between the Issuer and SFM.

The directors of the Issuer confirm that there is no conflict of interest between their duties as director of the Issuer and their principal and/or other outside activities.

No corporate governance regime to which the Issuer would be subject exists in Luxembourg as of the date of the Base Prospectus.

Compartments

The board of directors of the Issuer may create one or more compartments within the Issuer (each, a **Compartment** and together, the **Compartments**), each corresponding to a distinct part of the assets and liabilities of the Issuer.

As between investors of the Issuer, each Compartment of the Issuer shall be treated as a separate entity. Rights of creditors and investors of the Issuer that (i) have, when coming into existence, been designated as relating to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are strictly limited to the assets of that Compartment and shall be exclusively available to satisfy such creditors and investors. Creditors and investors of the Issuer whose rights are not related to a specific Compartment of the Issuer shall have no rights to the assets of any Compartment.

Unless otherwise provided for in the resolution of the board of directors of the Issuer creating such Compartment, no resolution of the board of directors of the Issuer may amend the resolution creating such Compartment or directly affect the rights of the creditors whose rights relate to such Compartment without the prior approval of the creditors whose rights relate to such Compartment. Any decision of the board of directors taken in breach of this provision shall be void.

Each Compartment of the Issuer may be separately liquidated without such liquidation resulting in the liquidation of any other Compartment or of the Issuer itself.

Financial Statements and Financial Year

The financial year of the Issuer is the calendar year (save that the first financial year was from the date of incorporation to 31 December 2012). The Issuer published its first audited financial statements in respect of the period ending on 31 December 2012 on 9 April 2013 and the audited financial statements in respect of the period ending 31 December 2013 on 2 April 2014. The Issuer also publishes unaudited semi-annual accounts.

In accordance with articles 72, 74 and 75 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The ordinary general meeting of shareholders takes place annually on the third Friday in March or, if such day is not a Business Day (as defined in the Articles), the next following business day at 10.00 a.m. at the registered office of the Issuer or at such other place as may be specified in the convening notice. The first annual general meeting of shareholders took place on 15 March 2013 and the annual general meeting of shareholders for 2014 took place on 21 March 2014 and was adjourned to 27 March 2014.

Statutory Auditors

The statutory audit firm (*cabinet de révision agréé*) of the Issuer, which has been appointed by a resolution of the board of directors of the Issuer dated 25 June 2012 is KPMG Luxembourg S.à r.l., 9, Allée Scheffer, L-2520 Luxembourg and belongs to the Luxembourg institute of auditors (*Institut des réviseurs d'entreprises*).

The Master Trust Deed requires the Issuer to provide to the Trustee, in respect of each Series (and, if applicable, each Class within that Series), within seven days after demand by the Trustee and, without the necessity for any such demand, promptly and in any event not later than 180 days after the anniversary of the date of the Master Trust Deed, a certificate signed by a director of the Issuer to the effect that, to the best of the Issuer's knowledge and belief having made all reasonable enquiries, as at a date not more than seven days before delivering such certificate there did not exist and had not existed since the relevant date of the previous certificate, any Event of Default or any Potential Event of Default (each as defined in the Master Trust Deed) or any other matter which is required to be brought to the Trustee's attention and specifying in relation to such Class or Series (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the Issue Date of the relevant Series) to and including the relevant date of such certificate that the Issuer has complied with all its obligations in relation to such Class or Series contained in the Master Trust Deed or (if such is not the case) specifying the respects in which it has not complied.

INFORMATION CONCERNING CITIBANK, N.A.

INFORMATION CONCERNING CITIBANK, N.A.

Citibank, N.A. (**Citibank**) was originally organised on 16 June 1812, and now is a national banking association organised under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc. (**Citigroup** or **Citi**), a Delaware holding company. Citibank is an affiliate of Citigroup Global Markets Limited; which is an indirect subsidiary of Citigroup. Citibank's principal business offices are located at 399 Park Avenue, New York, New York 10043. The obligations of Citibank under the Swap Agreement will not be guaranteed by Citigroup. As of 31 December 2014, the total assets of Citibank and its consolidated subsidiaries represented approximately 71 per cent. of the total assets of Citigroup and its consolidated subsidiaries.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

Citibank's deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the **FDIC**) and are subject to FDIC insurance assessments. The obligations of Citibank under any Swap Agreement are not insured by the FDIC or any other regulatory agency of the United States or any other jurisdiction.

Citibank has a long term/short term senior debt rating of A/A-1 by Standard & Poor's Financial Services LLC, A2/P-1 by Moody's Investors Service, Inc. and A/F1 by Fitch, Inc.

Common equity of Citibank and major shareholders

As at 30 September 2014, the common equity of Citibank was U.S.\$751,000,000 made up of 37,550,000 ordinary shares of U.S.\$20.

All of the common equity of Citibank is owned by Citicorp, which in turn is owned by Citigroup Inc.. No shareholder or associated group of shareholders acting together owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over Citigroup Inc..

Selected Financial Information

Presented below is selected unaudited consolidated financial data for Citibank and its subsidiaries for the nine-months ended 30 September 2014 and 2013 and for each of the years ended 31 December 2013 and 2012. The information presented below is derived from and qualified in its entirety by the detailed information and financial statements and underlying financial information of Citibank included in its quarterly reports to the FDIC called "Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices" (**Call Reports**) for the corresponding periods, and should be read in conjunction with the Call Reports, as well as Citigroup Inc.'s Annual Reports on Form 10-K as described in "*Documents Incorporated by Reference*" above. The Call Reports are prepared in accordance with FFIEC Call Report instruction regulatory accounting principles, which differ, in some respects, from generally accepted accounting principles used to prepare the financial statements of Citigroup Inc. and any annual audited consolidated financial statements of Citibank.

Consolidated Balance Sheets

(U.S.\$ in Millions)

(unaudited)

**For the Years
Ended 31 December**

**For the Nine-Months Ended
30 September**

2013

2012

2014

2013

(in millions)

ASSETS

Cash and due from depository
institutions:

Noninterest-bearing and currency and
coin.....

26,687

32,824

30,641

29,742

Interest-bearing

156,485

88,354

134,502

159,070

Securities:

Held to maturity, at cost

2,719

3,641

16,699

2,652

Available for sale, at market

256,783

258,224

274,309

250,945

Federal funds sold in domestic offices

20

97

0

90

Securities purchased under

agreements to resell.....

68,183

68,711

64,706

70,575

Loans and leases (including held for
sale), net of unearned income.....

606,346

599,932

600,261

602,997

Allowance for loan and lease losses .

(15,693)

(20,913)

(12,904)

(16,777)

Trading assets

150,584

175,391

157,093

149,464

Premises and fixed assets

(including capitalized leases)

4,299

4,561

4,199

4,319

Other real estate owned

307

313

299

289

Investments in unconsolidated

subsidiaries and associated companies

4,763

5,716

4,184

4,889

Goodwill and other intangible assets

18,509

18,275

17,244

18,360

Other assets.....

75,800

78,275

86,387

75,797

Total assets.....

1,355,792

1,313,401

1,377,620

1,352,412

LIABILITIES

Deposits

980,841

941,185

947,975

972,202

Federal funds purchased in domestic
offices

910

1,005

491

596

Securities sold under agreements

to repurchase

18,136

19,246

16,228

18,759

Trading liabilities.....

42,761

54,578

62,194

44,211

Other borrowed money

106,668

89,598

127,771

102,085

Subordinated notes and debentures...

7,500

7,500

7,500

7,500

Other liabilities

50,681

52,041

67,163

58,512

Total liabilities

1,207,497

1,165,153

1,229,322

1,203,865

INFORMATION CONCERNING CITIBANK, N.A.

	For the Years Ended 31 December		For the Nine-Months Ended 30 September	
	2013	2012	2014	2013
	(in millions)			
EQUITY CAPITAL				
Common stock.....	751	751	751	751
Surplus.....	138,702	138,521	138,962	138,491
Retained earnings.....	18,236	16,161	18,571	18,496
Accumulated other comprehensive income (loss).....	(10,132)	(7,919)	(10,664)	(9,891)
Noncontrolling (minority) interests in consolidated subsidiaries.....	738	734	678	700
Total equity capital.....	148,295	148,248	148,298	148,547
Total liabilities and equity capital.	1,355,792	1,313,401	1,377,620	1,352,412

Consolidated Statements of Income
(U.S.\$ in Millions)
(unaudited)

	For the Years Ended 31 December		For the Nine-Months Ended 30 September	
	2013	2012	2014	2013
	(in millions)		(in millions)	
Total interest income.....	48,355	52,128	35,938	35,915
Interest expense.....	8,279	9,845	5,654	6,345
Net interest income.....	40,076	42,283	30,284	29,570
Provision for loan and lease losses.....	4,817	8,494	2,772	3,603
Net interest income after provision.....	35,259	33,789	27,512	25,967
Realised gains (losses) on securities.....	361	1,782	(107)	400
Noninterest income.....	16,686	14,425	12,695	12,981
Noninterest expense.....	32,049	34,579	26,222	23,729
Income before taxes.....	20,257	15,417	13,878	15,619
Income tax expense.....	6,193	3,406	4,593	4,626
Income (loss) before extraordinary items and other adjustments.....	14,064	12,011	9,285	10,993
Extraordinary items and other adjustments, net of income taxes.....	336	(70)	4	151
Net income (loss) attributable to bank and noncontrolling (minority) interests.....	14,400	11,941	9,289	11,144
Less: net income (loss) attributable to noncontrolling (minority) interests.....	100	96	84	87
Net income (loss) attributable to bank.....	14,300	11,845	9,205	11,057

INFORMATION CONCERNING CITIGROUP GLOBAL MARKETS LIMITED

Citigroup Global Markets Limited (**CGML**) is a private company limited by shares and was incorporated in England and Wales on 21 October 1983. CGML operates under the laws of England and Wales and is domiciled in England. Its registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and its telephone number is +44(0)207 986 4000. The registration number of CGML is 01763297 on the register maintained by Companies House.

Directors of CGML

The directors of CGML are:

<i>Name</i>	<i>Position at CGML</i>
J.P. Asquith	Director
J.C. Cowles	Director
D.L. Taylor	Director
S.H. Dean	Director
P. McCarthy	Director
J. Bardrick	Director
Z. Turek	Director
M L Jones	Director

The business address of each director of CGML in his capacity as such is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. There are no potential conflicts of interest existing between any duties owed to CGML by the board of directors listed above and their private interests and/or other duties. There are no principal activities performed by the directors outside of CGML which are significant with respect to CGML.

Principal activities

CGML is a wholly-owned indirect subsidiary of Citigroup Inc. and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is a broker and dealer in fixed income and equity securities and related products in the international capital markets and an underwriter and provider of corporate finance services, operating globally from the UK and through its branches in Western Europe and the Middle East. CGML also markets securities owned by other group undertakings on a commission basis.

Corporate Governance

To the best of its knowledge and belief, CGML complies with the laws and regulations of England regarding corporate governance.

Share capital of CGML and major shareholders

As at 30 June 2014, the issued share capital of CGML was U.S.\$1,499,626,620 made up of 1,499,626,620 ordinary shares of U.S.\$1.

INFORMATION CONCERNING CITIGROUP GLOBAL MARKETS LIMITED

All of the issued share capital of CGML is owned by Citigroup Global Markets Europe Limited, which is an indirect subsidiary of Citigroup Inc. No shareholder or associated group of shareholders acting together owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over Citigroup Inc.

Selected Financial Information

CGML publishes audited annual financial information and unaudited semi-annual financial information.

The following table sets out in summary form selected financial information for CGML. The summary form was derived from the audited financial information of CGML for the year ended 31 December 2013, which was published on 27 March 2014 and the unaudited financial information for CGML for the six months ended 30 June 2014.

	At or for the year ended 31 December	
	2013 (audited)	2012 (audited)
	<i>(in millions of U.S. dollars)</i>	
Profit and Loss Account Data:		
Gross Profit	2,803	2,767
Total Income (Commission income and fees + Net dealing income)	2,703	2,830
Operating profit/loss ordinary activities before taxation	(209)	(313)
Balance Sheet Data:		
Total assets	285,034	256,877
Debt (Subordinated)	4,200	5,700
Total Shareholder's funds	12,754	10,119
	At or for the six month period ended 30 June	
	2014 (unaudited)	2013 (unaudited)
	<i>(in millions of U.S. dollars)</i>	
Profit and Loss Account Data:		
Gross Profit	1,976	1,715
Total Income (Commission income and fees + Net dealing income)	1,925	1,633
Operating profit/loss ordinary activities before taxation	339	100

INFORMATION CONCERNING CITIGROUP GLOBAL MARKETS LIMITED

At or for the six month period
ended

30 June 2014 31 December
(unaudited) 2013 (audited)

(in millions of U.S. dollars)

Balance Sheet Data:

Total assets	285,034	234,389
Debt (Subordinated)	4,200	4,200
Total Shareholder's funds	13,081	12,754

Auditor of CGML

CGML's auditor is KPMG LLP, having its registered office at 15 Canada Square, London E14 5GL. KPMG LLP is regulated by the Financial Reporting Council. KPMG are members of the UK's chartered accountants' professional body, ICAEW, of Chartered Accountants' Hall, Moorgate Place, London, EC2R 6EA.

KPMG LLP audited the financial statements of CGML for the fiscal year ended 31 December 2013 and KPMG Audit Plc audited the financial statements of CGML for the fiscal year ended 31 December 2012 and expressed an unqualified opinion on such financial statements in its reports dated 27 March 2014 and 3 April 2013.

TAXATION

TAXATION

GENERAL

Purchasers and/or sellers of Notes may be required to pay taxes (including stamp taxes) and other charges in accordance with the laws and practices of the country of purchase and/or transfer in addition to the issue price or purchase price (if different) of a Note.

TRANSACTIONS INVOLVING NOTES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT TAX POSITION OF ANY ASPECT OF TRANSACTION INVOLVING NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS.

GRAND DUCHY OF LUXEMBOURG TAXATION

The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

TAXATION OF THE HOLDERS OF NOTES

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a note of 10 per cent..

Income Taxation

(i) Non-resident holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(ii) Resident holders of Notes

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate holder of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg resident individual holder of Notes

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has

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entered into a treaty with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or *ad valrem* registration duty may be due upon the registration of the Notes in Luxembourg in the case of legal proceedings before Luxembourg courts or in case the Notes must be produced before an official Luxembourg authority, or in the case of a registration of the Notes on a voluntary basis or in the case where documents relating to the Notes are referred to in a public deed.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

UNITED KINGDOM TAXATION

The following applies only to persons who are beneficial owners of Notes and is a summary of the Issuer's understanding of current law and published HM Revenue and Customs (HMRC) practice in the United Kingdom relating only to the deduction of United Kingdom income tax from payments of interest arising on the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected to the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payments of interest on Notes

Payments of interest on the Notes may be made without deduction or withholding on account of United Kingdom income tax where such interest is not regarded as having a United Kingdom source for United Kingdom tax purposes. This will depend on the terms of the relevant Notes and prospective Noteholders should therefore take legal advice on the question of whether any particular Notes carry a right to United Kingdom source interest.

In the case of interest on Notes which is regarded as having a United Kingdom source, such payments of interest may be made by the Issuer without deduction of or withholding on account of United Kingdom income tax in the following circumstances:

- (a) where the Notes carry a right to interest and are listed and admitted to trading on a "recognised stock exchange", within the meaning of section 1005 of the Income Tax Act 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore that the Notes are and remain so listed and admitted to trading, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax;
- (b) where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; PROVIDED THAT HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exception is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax; or
- (c) where the maturity of the Notes is less than 365 days (and the Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days).

In other cases where interest on the Notes is regarded as having a United Kingdom source, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The above applies to payments on the Notes which constitute "interest" for relevant United Kingdom tax purposes, which may not have the same meaning given to the term "interest" for any other purpose including under the terms and conditions of the Notes. If any payments under Notes constitute annual payments which have a United Kingdom source then the exemptions referred to at (a) to (c) above will or may not apply, and so an amount may be required to be withheld from such payments on account of United Kingdom income tax at the basic rate.

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

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The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences of the ownership and disposition of Notes. It applies only to investors who purchase a Note for cash in the initial offering at the offering price set forth in the applicable Pricing Supplement, and hold the Note as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the **Code**). It does not address all of the tax consequences that may be relevant to an investor in light of its particular circumstances or if it is a holder subject to special rules, such as a financial institution, a tax-exempt entity, a U.S. Holder (as defined below), except to the limited extent discussed below under "*Tax Consequences to U.S. Holders*", or an entity classified as a partnership for U.S. federal income tax purposes.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Any partnership holding Notes or a partner in such a partnership, should consult its tax adviser as to its particular U.S. federal tax consequences of holding and disposing of Notes.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date of this Offering Circular, changes to any of which subsequent to the date of this Offering Circular may affect the tax consequences described herein, possibly with retroactive effect. This discussion does not address the effects of any applicable state, local or foreign tax laws or the potential application of the alternative minimum tax or the Medicare contribution tax on net investment income. An investor should consult its tax adviser concerning the application of U.S. federal tax laws to its particular situation (including the possibility of alternative treatments of the relevant Notes), as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

This discussion is subject to any additional discussion contained in the applicable Pricing Supplement regarding the U.S. federal income tax consequences of an investment in the relevant Notes, and therefore should be read in conjunction with any such additional discussion.

Tax Treatment of Notes

Although Notes are not denominated as equity, based on the capital structure of the Issuer, the Issuer intends to treat, and, by acquiring the relevant Notes, each Noteholder will agree to treat, Notes as equity of the Issuer for U.S. federal income tax purposes. However, there is no controlling authority regarding the treatment of instruments such as Notes or an entity comparable to the Issuer. As a result, the IRS or a court may not respect the treatment of Notes as equity of the Issuer. Except where stated otherwise, the following discussion is based on the treatment of Notes as equity of the Issuer.

Tax Consequences to U.S. Holders

This section applies only to U.S. Holders. A "U.S. Holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Notes are not intended for persons who are U.S. persons for U.S. federal income tax purposes. The terms of each issue of Notes expressly prohibit sales to or purchases by such U.S. persons. The tax consequences to a U.S. person arising from ownership and disposition of Notes are uncertain and are likely to be adverse in significant respects. Accordingly, the following is a limited summary of certain U.S. federal tax consequences for U.S. Holders and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a U.S. person.

Characterization of a Compartment

If the Issuer's assets in respect of a Series of Notes are legally segregated into a Compartment, it is possible that such Compartment may be treated as a separate corporation for U.S. federal income tax purposes with the Notes of that Series being the sole equity interest in the corporation. Such a treatment could affect whether a U.S. Holder is treated as subject to the PFIC rules or the CFC rules, as described below, and the timing and character of income in respect of such Notes. The U.S. federal income tax law regarding entities with this form of legal structure is unclear, and therefore significant uncertainty exists as to whether each Compartment is required to be treated as a separate corporation. If a Compartment is treated as a separate corporation, the discussion below would generally apply by treating references to the Issuer as references to such Compartment.

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Status of the Issuer as a PFIC

The Issuer will be treated as a passive foreign investment company (**PFIC**) for U.S. federal income tax purposes. As a U.S. Holder of equity interests in the Issuer for U.S. federal income tax purposes (**PFIC stock**), an investor will generally be subject to special rules applicable to PFIC stock, unless it is subject to the CFC rules described below with respect to its interest in the Issuer.

Under the PFIC rules, an investor will be required to allocate to each day in its holding period with respect to the PFIC stock a *pro rata* portion of any gain recognized on the sale of stock of the PFIC or any distribution received on the PFIC stock that is treated as an "excess distribution" (generally, any distributions it receives on the PFIC stock in a taxable year that are greater than 125 per cent. of the average annual distributions it received in the three preceding taxable years or, if shorter, its holding period for the PFIC stock). Any such amount treated as allocable to a prior taxable year is subject to U.S. federal income tax at the highest applicable rate of the year in question, plus an interest charge on the amount of tax deemed to be deferred. An investor will generally be subject to similar rules with respect to distributions to the Issuer by, and dispositions by the Issuer of, any equity interests it holds in PFICs. In addition, dividends received on the PFIC stock are not qualified dividend income, and accordingly, not eligible for a reduced income tax rate.

Although investors in a PFIC may in some cases elect to be taxed under an alternative regime by timely making a qualified electing fund election (the **QEF election**), a QEF election is effective only if certain required information is made available by the Issuer. The Issuer does not commit to providing information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes.

A holder of an interest in a PFIC must make an annual return on IRS Form 8621, reporting information with respect to the Issuer and to each PFIC in which it holds a direct or indirect interest. Any failure to fully comply with such reporting requirements may result in substantial penalties.

Status of the Issuer as a CFC

If more than 50 per cent. of the Issuer's equity (including Notes treated as equity) by vote or value is owned by U.S. persons that each individually own 10 per cent. or more of the combined voting power of the Issuer (each, a **U.S. Shareholder**), then the Issuer will be classified as a controlled foreign corporation (a **CFC**). Although the matter is unclear because of the lack of authority regarding the treatment of an entity with a capital structure like that of the Issuer, it is possible that Notes could be treated as voting equity of the Issuer for this purpose. A U.S. Shareholder at the end of the taxable year of the Issuer would be treated, subject to certain exceptions, as recognizing ordinary income in an amount equal to its *pro rata* share of the Issuer's "subpart F income", regardless of whether cash attributable to such income is actually distributed. If the Issuer were a CFC, it is expected that all of its income would be subpart F income. In addition, gain on the sale of equity of the CFC by a U.S. Shareholder could be recharacterized in whole or in part as ordinary dividend income. If the Issuer were to constitute a CFC, a U.S. Shareholder of the Issuer would be taxable on the subpart F income of the Issuer under rules described in this paragraph and not under the PFIC rules previously described.

If an investor is treated as a U.S. Shareholder of the Issuer, it would generally be required to file an IRS Form 5471, reporting information with respect to its interest in the Issuer and, if it is considered to have participated in a "reportable transaction", an IRS Form 8886, reporting information related to such transaction. Any failure to fully comply with such reporting requirements may result in substantial penalties.

Additional Reporting Obligations

If an investor either (i) holds (or is treated as holding) directly or indirectly at least 10 per cent. of the total voting power or the total value of the Issuer immediately after its purchase of Notes from the Issuer or (ii) purchases Notes from the Issuer for a price in excess of U.S.\$100,000 (or the equivalent in foreign currency),

it must file IRS Form 926 for the taxable year in which the purchase occurs. Any failure to timely comply with such reporting requirements may result in substantial penalties.

Tax Consequences Under Possible Alternative Treatments

Notwithstanding the discussion above, alternative U.S. federal income tax treatments of Notes are possible that, if applied, could materially and adversely affect the timing and/or character of income, gain or loss with respect to Notes. It is possible, for example, that Notes could be treated as a direct or indirect beneficial interest in the applicable Charged Assets and Charged Agreement underlying those Notes. Under this treatment, the timing and/or character of income, gain or loss would be determined based on the nature of, and the Issuer's holding period in, the relevant Charged Assets and Charged Agreement. In some cases, the tax rules applicable to those interests could result in the recognition of income prior to the receipt of the related cash, mismatches in the character or timing of income and related deductions (i.e. ordinary income and capital loss) or other adverse consequences. Alternatively, in situations where applicable, Notes could be treated as a direct or indirect beneficial interest in the obligations of a Counterparty, Issuer Credit Enhancer, or Credit Support Provider. Under this treatment, the timing and/or character of income, gain or loss would be determined based on the character and timing of payments under such obligations. For example, a Note could be treated as a "contingent payment debt instrument" or as a financial contract other than debt.

The treatment to U.S. Holders of an interest in the Notes is unclear and likely to be adverse. Accordingly, persons who are U.S. persons for U.S. federal income tax purposes should not acquire Notes.

Tax Consequences to Non-U.S. Holders

This section applies only to Non-U.S. Holders. A "Non-U.S. Holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- an individual who is classified as a nonresident alien;
- a foreign corporation; or
- a foreign estate or trust.

An investor is not a Non-U.S. Holder for purposes of this discussion if it is: (i) a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of disposition or (ii) a former citizen or resident of the United States. If an investor is such a holder or may become such a holder during the period in which it holds a Note, it should consult its tax adviser regarding the U.S. federal tax consequences of an investment in the relevant Notes, including the issues discussed below, in light of its circumstances.

As discussed under "Tax Treatment of the Notes" above, the Issuer intends to treat the Notes as equity of the Issuer. Under this treatment, subject to the discussions under "*Possible Application of Section 871(m) of the Code*" and "*FATCA*" below, payments made with respect to Notes are generally not subject to U.S. federal withholding tax.

If an investor is engaged in a U.S. trade or business, and if income from any Notes is effectively connected with the conduct of that trade or business, such investor generally will be subject to regular U.S. federal income tax with respect to that income in the same manner as if it were a U.S. person for U.S. federal income tax purposes, unless an applicable income tax treaty provides otherwise. As discussed in "*Tax Consequences to U.S. Holders*" above, Notes are not intended for U.S. persons, and the tax treatment of Notes held by such persons is unclear and likely to be adverse.

TAXATION

Tax Consequences Under Possible Alternative Treatments

As discussed in "*— Tax Consequences to U.S. Holders — Tax Consequences Under Possible Alternative Treatments*" above, the tax treatment of Notes for U.S. federal income tax purposes is unclear. While the Issuer intends to treat Notes as equity of the Issuer, the IRS or other persons having withholding or information reporting responsibility in respect of Notes may treat Notes as a direct or indirect beneficial interest in (i) the Charged Assets and Charged Agreement underlying the relevant Notes, or (ii) the obligations of a Counterparty, Issuer Credit Enhancer, or Credit Support Provider. While the Issuer currently does not intend to withhold on payments on Notes to Non-U.S. Holders (subject to the discussions below regarding Section 871(m) and FATCA), in light of the uncertain treatment of Notes, other persons having withholding or information reporting responsibility in respect of Notes may treat some or all of payments on a Note as subject to withholding tax at a rate of 30 per cent. or may require an investor in the Notes to provide certification or other documentary evidence of its status as a non-United States person as a condition precedent to payment without withholding. Moreover, it is possible that in the future the Issuer may determine that the Issuer should withhold at a rate of 30 per cent. on payments on Notes. The Issuer will not be required to pay any additional amounts with respect to amounts withheld.

Possible Application of Section 871(m) of the Code

Proposed Treasury regulations under Section 871(m) of the Code, if finalized in their current form, could impose withholding after December 31, 2015 on Non-U.S. Holders at a rate of 30 per cent. (or lower treaty rate) on amounts treated as attributable to dividends from U.S. stocks underlying financial instruments such as Notes (**dividend equivalents**). Pursuant to published guidance, these Treasury regulations are not expected to apply to Notes issued prior to 90 days after the date on which final Treasury regulations are published, although the occurrence of a taxable event, such as a significant modification of a Note that is treated as a deemed exchange for U.S. federal income tax purposes, may result in a loss of "grandfathered" status for such Notes. If a Note that is linked to U.S. stocks or indices including such stocks is issued or deemed issued on or after the 90th day after the publication of final Treasury regulations, depending on certain conditions related to its economic terms on the date a Non-U.S. Holder acquires (or is deemed to acquire) it, withholding may be required in respect of the relevant Note. There are material uncertainties regarding the application of these proposed rules. For instance, there is a potential exception for instruments linked to certain qualifying indices, but its scope is unclear, and the Issuer or other withholding agents may determine that withholding is required on Notes that are not "grandfathered". If withholding applies to Notes, the Issuer will not be required to pay any additional amounts with respect to amounts withheld. Prospective purchasers should consult their tax advisors regarding the potential application of these proposed Treasury regulations.

Information Reporting and Backup Withholding

The proceeds of a taxable disposition of Notes may be subject to information reporting and, if an investor fail to provide certain identifying information or meet certain other conditions, may also be subject to backup withholding at the rate specified in the Code. If an investor is a Non-U.S. Holder that provides an appropriate U.S. tax form or other specified documentary evidence establishing its status as a non-United States person, it will generally establish an exemption from backup withholding. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against an investor's U.S. federal income tax liability, provided the relevant information is timely furnished to the IRS.

FATCA

Legislation commonly referred to as "FATCA" generally imposes a withholding tax of 30 per cent. on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement (**IGA**) between the United States and the non-U.S. entity's jurisdiction may modify these requirements. This legislation generally applies to certain financial instruments that are treated

as paying U.S.-source interest or other U.S.-source "fixed or determinable annual or periodical" income (**FDAP income**). Withholding (if applicable) applies to payments of U.S.-source FDAP income and, for dispositions that occur after 31 December 2016, to payments of gross proceeds of the disposition (including upon retirement) of certain financial instruments treated as providing for U.S.-source interest or dividends. If Notes were recharacterized as discussed in "*— Tax Consequences to U.S. Holders — Tax Consequences Under Possible Alternative Treatments*", this legislation might apply to such Notes. Furthermore, the FATCA rules may apply to payments on Notes that are treated as "dividend equivalents" as discussed in "*— Tax Consequences to Non-U.S. Holders — Possible Application of Section 871(m) of the Code*" above. Even if the treatment of Notes as equity of the Issuer is respected, the FATCA rules may apply to payments on Notes treated as "foreign passthru payments", if the payments are made on or after the later of (i) 1 January 2017 and (ii) the date on which the final Treasury regulations defining "foreign passthru payments" are filed with the Federal Register. The Issuer intends to comply with the information reporting and due diligence requirements imposed by FATCA, as modified by the IGA between the United States and the Grand Duchy of Luxembourg, but there can be no assurance that the Issuer will be able to comply with these requirements. If the Issuer were unable to comply with these requirements, withholding might be imposed on any payments made to the Issuer, which could affect payments the Issuer makes with respect to Notes. If withholding applies to Notes, the Issuer will not be required to pay any additional amounts with respect to amounts withheld. An investor should consult its tax adviser regarding the potential application of FATCA to Notes.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources which each Issuer believes to be reliable, but prospective investors should make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the Clearing Systems) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Arranger, any Agent and any Dealer (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective Participants (as defined below) or accountholders of their respective obligations under the rules procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. 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 depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders or indirectly through organisations which are accountholders therein.

The Issuer will make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems of the Notes to be represented by a Global Note to be held in such clearing systems. Each such Global Note will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with, a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Global Notes. Beneficial interests in a Global Note may not at any time be offered, sold or transferred to, or for the account or benefit of, any person other than a Permitted Purchaser or held at any time otherwise than through Euroclear or Clearstream, Luxembourg, and each Global Note will bear a legend regarding such restrictions on transfer.

Notes in definitive form will not be eligible for clearing or settlement through Euroclear or Clearstream, Luxembourg.

Payments and deliveries and Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment or delivery made by the Issuer to the registered holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer

expects that, upon receipt of any payment or delivery in respect of Notes represented by a Global Note, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant accountholders' accounts in the relevant clearing system with payments or deliveries in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by accountholders in any Clearing System to owners of beneficial interests in any Global Note held through such accountholders in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments or deliveries due on the Notes for so long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment or delivery to the registered holder of such Global Note in respect of each amount so paid or delivered. None of the Issuer, the Trustee and any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes evidenced by a Global Note held within a Clearing System must be made by or through accountholders which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the **Beneficial Owner**) will in turn be recorded on the records of the relevant accountholder. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the relevant accountholder through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes evidenced by a Global Note held within the Clearing System will be effected by entries made on the books of accountholders acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless, and until an interest in any Global Note held within a Clearing System is exchanged for Notes in definitive form.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes evidenced by a Global Note held within such Clearing Systems and their records will reflect only identity of the accountholders to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The accountholders will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to accountholders and by accountholders to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Noteholders holding interests in Notes evidenced by a Global Note through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Interests in such Notes will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg accountholders on the business day following the Issue Date (backdated to the Issue Date) against payment for value on the Issue Date.

Transfers between accountholders in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Intra-Market Transfer. On or after the Issue Date for any Notes, transfers of such Notes between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

BOOK-ENTRY CLEARANCE PROCEDURES

Euroclear UK and Ireland (CREST)

If so specified in the applicable Pricing Supplement, investors may also hold interests in Notes through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (**CREST**). Following their delivery into a clearing system, interests in the relevant Notes may be delivered, held and settled in CREST by means of the creation of CREST Depository Interests (**CDIs**) representing the interests in the relevant Notes. The CDIs will be issued by the CREST Depository to investors (**CDI Holders**) and will be governed by English Law. CREST International Nominees Limited or another entity appointed to act as nominee in accordance with the CREST Deed Poll (the **CREST Nominee**) will hold the legal title to the relevant Notes and the direct enforcement rights in respect of the relevant Notes.

The CDIs will represent indirect interests in the interest of CREST Nominee in the relevant Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by a common depository may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the relevant Notes will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were a relevant Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the relevant Notes on trust for such CDI Holder. CDI Holders will also be able to receive from CREST notices of meetings of holders of the relevant Notes and other relevant notices issued by the Issuer.

Transfers of interests in Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Notes to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same ISIN as the ISIN of the relevant Notes and will not require a separate listing.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 8 of the CREST Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 8 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the relevant Notes. The CDIs are separate legal instruments from such Notes and represent an indirect interest in such Notes.
- (b) The relevant Notes themselves (as distinct from the CDIs representing indirect interests in such Notes) will be held in an account with a custodian. The custodian will hold the relevant Notes through a clearing system. Rights in the relevant Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the relevant Notes or to interests in such Notes will depend on the rules of the clearing system in or through which the relevant Notes are held.

- (c) Rights under the relevant Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the relevant Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the relevant Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the relevant Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the relevant Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular, where the relevant Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual dated November 2014 as amended, modified, varied or supplemented from time to time (the **CREST Manual**) and the CREST Rules (the **CREST Rules**) (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs and the CREST Depository.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at www.euroclear.com/site/public/EUI.
- (g) Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDIs through the CREST International Settlement Links Service.
- (h) Potential investors should note that none of the Issuer, any Counterparty, the Trustee, any Dealer, any distributor, any Paying Agent or the Registrar or any Transfer Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

ERISA RESTRICTIONS

General

The following is a summary of certain considerations associated with the purchase of Notes by an "employee benefit plan" (within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**)) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or provisions under any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code (**Similar Law**), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a **Plan**). This summary is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing Notes on behalf of, or with the assets of, any employee benefit plan, consult with their counsel to determine whether such employee benefit plan is subject to Title I of ERISA, Section 4975 of the Code or any Similar Laws.

Section 3(42) of ERISA provides that the term "plan assets" has the meaning assigned to it by such regulations as the U.S. Department of Labor (the **Department**) may prescribe, except that under such regulations the assets of any entity shall not be treated as plan assets if, immediately after the most recent acquisition of any equity interest in the entity, less than 25 per cent. of the total value of each class of equity is held by benefit plan investors. The Department has prescribed regulations (the **Plan Asset Regulations**) that generally provide that when a Plan subject to Title I of ERISA or Section 4975 of the Code (an **ERISA Plan**) acquires an equity interest in an entity that is neither a "publicly-offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the U.S. Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by "benefit plan investors" is not significant or that the entity is an "operating company", in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be significant if they hold, in the aggregate, less than 25 per cent. of the value of any class of equity interests of such entity, excluding equity interests held by any person (other than a benefit plan investor) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates of such person. Section 3(42) of ERISA provides, in effect, that for purposes of the Plan Asset Regulations, the term "benefit plan investor" means an ERISA Plan or an entity whose underlying assets are deemed to include "plan assets" under the Plan Asset Regulations (for example, an entity 25 per cent. or more of the value of any class of equity interests of which is held by benefit plan investors and which does not satisfy another exception under the Plan Asset Regulations).

It is anticipated that (i) Notes will not constitute "publicly offered securities" for purposes of the Plan Asset Regulations, (ii) the Issuer will not be an investment company registered under the U.S. Investment Company Act and (iii) the Issuer will not qualify as an operating company within the meaning of the Plan Asset Regulations. The Issuer intends to prohibit ownership of the Notes by benefit plan investors based upon deemed representations. However, no assurance can be given that investment by benefit plan investors in the Notes will not be "significant" for purposes of the Plan Asset Regulations.

Plan Asset Consequences

If the Issuer's assets were deemed to be "plan assets" of an ERISA Plan whose assets were invested in the Issuer, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Issuer, and (ii) the possibility that certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section

4975 of the Code and might have to be rescinded. A non-exempt prohibited transaction, in addition to imposing potential liability upon fiduciaries of the ERISA Plan, may also result in the imposition of an excise tax under the Code upon a "party in interest" (as defined in ERISA), or "disqualified person" (as defined in the Code), with whom the ERISA Plan engages in the transaction.

Governmental plans, certain church plans and non-U.S. plans, while not subject to Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of such plans should consult with their counsel before purchasing or holding any Notes. Because of the foregoing, Notes may not be purchased or held by any person investing assets of any Plan.

Representation and Warranty

In light of the foregoing, each purchaser and each subsequent purchaser of Notes will be deemed to represent and warrant, with respect to each day it holds Notes or any beneficial interest therein, that no portion of the assets used to purchase or hold its Notes constitutes or will constitute the assets of any Plan. Any purported purchase of Notes in violation of the requirement described in the foregoing representation will be null and void *ab initio* and the Issuer will have the right to require any person holding a legal or beneficial ownership interest in Notes in violation of such representation to sell such interest to a Permitted Purchaser or to the Issuer, a Dealer or an affiliate of a Dealer, in each case at a price equal to the least of (x) the purchase price therefor paid by such non-permitted person, (y) 100 per cent. of the principal amount of such interest and (z) the fair market value of such interest.

SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

Subject to the terms and conditions contained in an amended and restated Dealer Agreement dated 12 March 2015 (as supplemented, amended and/or restated from time to time, the **Dealer Agreement**) between the Issuer and the Dealers (as defined in the Dealer Agreement), the Issuer may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase or act as placement agent in respect of the Notes. In the Dealer Agreement, the relevant Dealer has agreed to pay certain fees and expenses (if any) in connection with the issue of Notes. In certain circumstances prior to the issue date of any Notes, the relevant Dealer is entitled to be released and discharged from its obligations in relation to any agreement to purchase or, as the case may be, to act as placement agent of, Notes. Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale as determined by the Issuer or the relevant Dealer (which, for the avoidance of doubt, may be a price that is greater than or less than the issue price or other purchase price paid by the relevant Dealer for such Notes). The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which, unless otherwise agreed with the Issuer, are jointly and severally underwritten by two or more Dealers. In certain transactions, the issue price may include an amount related to a swap or other hedging agreement entered into by the Issuer and an affiliate of such Dealer or the Dealer. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer with the prior written consent of the Arranger or, in relation to itself and the Issuer only, by any Dealer, in each case on giving not less than 30 days' written notice.

United States of America

The Notes and any Notes Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and no person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act of 1936, as amended (the **CEA**), and the rules of the Commodity Futures Trading Commission (**CFTC**) thereunder (the **CFTC Rules**). Furthermore, the Issuer has not registered and will not register as an investment company under the U.S. Investment Company Act of 1940, as amended.

Consequently, Notes may not be offered, sold, pledged, resold, delivered or otherwise transferred except in an "offshore transaction" (as such term is defined under Regulation S under the Securities Act (**Regulation S**)) to persons that are Permitted Purchasers. If a Permitted Purchaser acquiring Notes is doing so for the account or benefit of another person, such other person must also be a Permitted Purchaser. Any transfer of an interest in Notes in violation of the transfer restrictions applicable to the relevant Notes is void *ab initio*. The Issuer has the right to compel any beneficial owner that is not a Permitted Purchaser to (a) sell its interest in the relevant Notes to a Permitted Purchaser or (b) transfer its interest in such Notes to the Issuer, a Dealer or an affiliate of a Dealer, in each case, at a price equal to the least of (i) the purchase price therefor paid by the beneficial owner, (ii) 100 per cent. of the principal amount thereof and (iii) the fair market value thereof.

Permitted Purchaser means any person that:

- (a) is not a "U.S. person" as such term is defined under Rule 902(k)(1) of Regulation S;
- (b) does not come within any definition of U.S. person for any purpose under the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person);
- (c) is not, and whose purchase and holding of Notes is not made on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of

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1974, as amended (**ERISA**), a plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; and

- (d) is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

As defined in Rule 902(k)(1) of Regulation S, **U.S. person** means:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organized or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
 - (ii) organized or incorporated under the laws of any foreign jurisdiction; and
 - (iii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7(a)(1)(iv), modified as indicated above, **Non-United States person** means:

- (a) a natural person who is not a resident of the United States;
- (b) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and

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- (e) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC's interpretive guidance and policy statement regarding compliance with certain swap regulations, 78 Fed. Reg. 45292, 316 (Jul. 26, 2013), **U.S. person** includes, but is not limited to:

- (a) any natural person who is a resident of the United States;
- (b) any estate of a decedent who was a resident of the United States at the time of death;
- (c) any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in paragraphs (d) or (e), below) (a **legal entity**), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (d) any pension plan for the employees, officers or principals of a legal entity described in clause (c), unless the pension plan is primarily for foreign employees of such entity;
- (e) any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (f) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in paragraph (c) and that is majority-owned by one or more persons described in paragraphs (a), (b), (c), (d), or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;
- (g) any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in paragraphs (a), (b), (c), (d), or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (h) any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in paragraphs (a), (b), (c), (d), (e), (f), or (g).

Each Global Note representing a Series of Notes will bear a legend to the following effect:

THE NOTES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE ISSUER UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE **CEA**), AND THE RULES OF THE COMMODITY FUTURES TRADING COMMISSION (**CFTC**) THEREUNDER (THE **CFTC RULES**). FURTHERMORE, THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

CONSEQUENTLY, THE NOTES REPRESENTED BY THIS GLOBAL NOTE MAY NOT BE OFFERED, SOLD, PLEDGED, RESOLD, DELIVERED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION OF A NOTE OR OF A BENEFICIAL INTEREST THEREIN, THE ACQUIRER:

- (1) REPRESENTS THAT
 - (A) IT ACQUIRED THE NOTE OR SUCH BENEFICIAL INTEREST IN AN "OFFSHORE TRANSACTION" (AS SUCH TERM IS DEFINED UNDER REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**));
 - (B) IT IS NOT A "U.S. PERSON" AS SUCH TERM IS DEFINED UNDER RULE 902(k)(1) OF REGULATION S; IT DOES NOT COME WITHIN ANY DEFINITION OF U.S. PERSON FOR ANY PURPOSE UNDER THE CEA OR ANY CFTC RULE, GUIDANCE OR ORDER PROPOSED OR ISSUED BY THE CFTC UNDER THE CEA (FOR THE AVOIDANCE OF DOUBT, ANY PERSON WHO IS NOT A "NON-UNITED STATES PERSON" AS SUCH TERM IS DEFINED UNDER CFTC RULE 4.7(a)(1)(iv), BUT EXCLUDING, FOR PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION FOR QUALIFIED ELIGIBLE PERSONS WHO ARE NOT "NON-UNITED STATES PERSONS", SHALL BE CONSIDERED A U.S. PERSON); IT IS NOT, AND ITS PURCHASE AND HOLDING OF THE NOTES IS NOT MADE ON BEHALF OF OR WITH "PLAN ASSETS" OF, AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), OR AN EMPLOYEE BENEFIT PLAN OR PLAN SUBJECT TO ANY LAWS, RULES OR REGULATIONS SUBSTANTIALLY SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE; AND IT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE (ANY PERSON FALLING WITHIN THIS CLAUSE (B), A **PERMITTED PURCHASER**); AND
 - (C) IF IT IS ACQUIRING THE NOTE OR A BENEFICIAL INTEREST THEREIN FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERSON, SUCH OTHER PERSON IS ALSO A PERMITTED PURCHASER;
- (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT, AT ANY TIME DURING THE TERM OF THE NOTE, OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THE NOTE OR ANY BENEFICIAL INTEREST THEREIN, AS APPLICABLE, EXCEPT TO A PERMITTED PURCHASER ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERMITTED PURCHASER IN AN OFFSHORE TRANSACTION (AS DEFINED ABOVE) AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF ANY NOTE OR INTEREST IN VIOLATION OF THE FOREGOING;
- (3) ACKNOWLEDGES THAT ANY TRANSFER IN VIOLATION OF THE FOREGOING AT ANY TIME DURING THE TERM OF THE NOTE WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE PRINCIPAL PAYING AGENT OR ANY OTHER INTERMEDIARY;
- (4) ACKNOWLEDGES THAT IF AT ANY TIME THE ACQUIRER IS NO LONGER A PERMITTED PURCHASER, THE ISSUER HAS THE RIGHT TO (A) COMPEL THE ACQUIRER TO SELL THE NOTE OR BENEFICIAL INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO IS A PERMITTED PURCHASER OR (B) COMPEL THE BENEFICIAL OWNER TO TRANSFER THE NOTE OR BENEFICIAL INTEREST

SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

THEREIN, AS APPLICABLE, TO THE ISSUER, CITIGROUP GLOBAL MARKETS LIMITED OR AN AFFILIATE OF CITIGROUP GLOBAL MARKETS LIMITED, IN EACH CASE, FOR THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF; AND

- (5) ACKNOWLEDGES THAT THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER OF THE NOTES TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A PERMITTED PURCHASER.

Each Dealer has agreed that (i) it will offer and sell Notes only in an "offshore transaction" (as such term is defined under Regulation S) to or for the account or benefit of Permitted Purchasers, (ii) it will not engage in any "directed selling efforts" (as such term is defined under Regulation S) with the respect to any Notes and (iii) it will send to each dealer or other person to which it sells Notes, and which receives a selling concession, fee or other remuneration in respect of the relevant Notes, a confirmation or other notice setting forth the restrictions on offers and sales of such Notes set forth in the legend above.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

PROVIDED THAT no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measures in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (b) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (d) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular or any supplement hereto or any Pricing Supplement and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Pricing Supplement.

NOTICE TO INVESTORS

NOTICE TO INVESTORS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes. This Notice is a summary of the more detailed provisions and representations set out under "Subscription, Sale and Transfer Restrictions".

The Notes and any Notes Guarantee have not been registered under the Securities Act and the Notes are being offered and sold only in an "offshore transaction" (as such term is defined under Regulation S) to Permitted Purchasers.

If you purchase and accept Notes you will be deemed to have acknowledged, represented to and agreed with the Issuer that:

- (a) you understand that the Notes have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**), and agree that you will not, at any time during the term of the Notes, offer, sell, pledge or otherwise transfer the Notes, except in an "offshore transaction" (as such term is defined under Regulation S under the Securities Act (**Regulation S**)) to a Permitted Purchaser (as such term is defined below) acting for its own account or for the account or benefit of another Permitted Purchaser;
- (b) you understand and acknowledge that no person has registered nor will register as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the **CEA**), and the rules of the Commodity Futures Trading Commission thereunder (the **CFTC Rules**), and that the Issuer has not registered and will not register as an investment company under the U.S. Investment Company Act of 1940, as amended;
- (c) you are not a "U.S. person" as such term is defined under Rule 902(k)(1) of Regulation S; you do not come within any definition of U.S. person for any purpose under the CEA or any CFTC rule, guidance or order proposed or issued by the CFTC under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person); you are not, and you are not purchasing and holding the Notes on behalf of or with "plan assets" of, an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), a plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or an employee benefit plan or plan subject to any laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code; and you are not a "United States person" within the meaning of Section 7701(a)(30) of the Code (any person falling within this clause (c), a **Permitted Purchaser**);
- (d) if you are acting for the account or benefit of another person, such other person is also a Permitted Purchaser;
- (e) you understand and acknowledge that the Issuer has the right to compel any beneficial owner of an interest in the Notes to certify periodically that such beneficial owner is a Permitted Purchaser;
- (f) you understand and acknowledge that the Issuer has the right to refuse to honour the transfer of an interest in the Notes in violation of the transfer restrictions applicable to the Notes;
- (g) you understand and acknowledge that the Issuer has the right to compel any beneficial owner who is not a Permitted Purchaser to (i) sell its interest in the Notes to a Permitted Purchaser or (ii) transfer its interest in the Notes to the Issuer, a Dealer or an affiliate of a Dealer, in each case, at a price equal

NOTICE TO INVESTORS

to the least of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof;

- (h) you understand that Notes will bear a legend to the effect set forth above under "Subscription, Sale and Transfer Restrictions"; and
- (i) you understand that any purported transfer in violation of the transfer restrictions applicable to the Notes will be null and void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, Principal Paying Agent, the Registrar or any intermediary.

GENERAL INFORMATION

A. General information relating to the Issuer

1. Authorisations

The Issuer has obtained all necessary external consents, approvals and authorisations in connection with the issue and performance of the Notes by it.

The establishment of the Programme was duly authorised by resolutions of the board of directors of the Issuer held on 25 June 2012. The update of the Programme was duly authorised by resolutions of the board of directors of the Issuer held on 11 March 2012.

The issue of each Tranche of Notes will be authorised by resolutions of the board of directors of the Issuer.

2. Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2013, the date of its most recent published audited financial statements.

3. Litigation

The Issuer is not, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the 12 month period immediately preceding the date of this Offering Circular, which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

4. Approval, Admission to Trading and Listing of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued by the Issuer to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of the Markets in Financial Instruments Directive. As specified in the applicable Pricing Supplement, an issue of Notes may or may not be listed or admitted to trading on, as the case may be, the Euro MTF market or any other stock exchange(s), markets or quotation systems as may be agreed between the Issuer and the relevant Dealer(s).

5. Documents on Display

For so long as the Programme remains in effect or any Notes remain outstanding, copies of the following documents (in English, or accompanied by an English translation thereof) will, when published, be available for inspection free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer and the specified office of the Principal Paying Agent for the time being in London:

- (i) the constitutional documents (*statuts*) of the Issuer;
- (ii) the annual accounts of the Issuer for the period from 19 June 2012 to 31 December 2012 and the annual accounts of the Issuer as at 31 December 2013, in each case together with the audit reports prepared in connection therewith and any future annual audited accounts of the Issuer as may be published from time to time;

- (iii) the unaudited semi-annual accounts of the Issuer as at 30 June 2014 and any future interim accounts of the Issuer as may be published from time to time;
- (iv) the constitutional documents of each Counterparty;
- (v) the annual report and audited financial statements of CGML for the years ended 31 December 2012 and 31 December 2013, together with the audit reports prepared in connection therewith and any future annual report and audited financial statements of CGML as may be published from time to time;
- (vi) the unaudited interim report of CGML for the six months ended 30 June 2014 and any future unaudited interim report of CGML as may be published from time to time;
- (vii) the Master Trust Deed (which includes the forms of the Global Notes and the Notes in definitive form and details of the terms and conditions on which the Trustee as representative of the Noteholders has been appointed), the Agency Agreement, the Custodial Services Agreement and the Dealer Agreement;
- (viii) any (x) supplements to the documents referred to in (vii) above, including any which relate to a particular issue of Notes; (y) any Collateral Services Agreement, any Charged Agreements, any Credit Support Documents, any Charging Documents and any Notes Guarantee relating to a particular issue of Notes and; (z) any Pricing Supplement (save that such supplements, documents or Pricing Supplement relating to an issue of Notes not listed on the Luxembourg Stock Exchange's Euro MTF Market will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or as the case may be, to the relevant Paying Agent, as to its holding of such Notes and its identity); and
- (ix) a copy of this Offering Circular, together with any supplement to the Offering Circular.

6. Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and ISIN for each Tranche allocated by Euroclear, Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If any Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

In addition, interests in the Notes may be accepted for settlement in Euroclear UK and Ireland (CREST) via the CREST Depository Interest (CDI) mechanism. The address of CREST is 33 Canon Street, London, United Kingdom, EC4M 5GB.

7. Post-Issuance Information

The Issuer will not provide any post-issuance information in relation to any Notes, any Underlying, any Charged Assets or any Charged Agreements, except if required by any applicable laws and regulation.

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