

## GSSP BASE PROSPECTUS 2



### BARCLAYS BANK PLC

*(Incorporated with limited liability in England and Wales)*

### Pursuant to the Global Structured Securities Programme

#### What is this document?

This document (the "**Base Prospectus**") constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**"), and is one of a number of prospectuses which relate to the Global Structured Securities Programme (the 'Programme').

This Base Prospectus is valid for one year and may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

#### What type of Securities does this Base Prospectus relate to?

This particular Base Prospectus ("**GSSP Base Prospectus 2**") relates to the issuance of securities ("**Securities**") which will either bear interest at a fixed rate, a floating rate or at a rate determined by reference to the performance of one or more specified equity indices, shares, depository receipts or funds (in which case, the rate of interest could be zero), and may automatically redeem early (or 'autocall') if the specified equity indices, shares, depository receipts or funds are at or above a certain level on any one of a series of specified dates.

If not redeemed early, the Securities will be redeemed at an amount that is linked to the performance of one or more specified equity indices, shares, depository receipts or funds.

#### Who is the Issuer?

The Securities will be issued by Barclays Bank PLC (the "**Issuer**"). The delivery or payment of any amount due under the Securities is subject to the Issuer's financial position and its ability to meet its obligations. The registration document for the Issuer (the "**Registration Document**") which is incorporated by reference into this Base Prospectus, together with other information provided in this Base Prospectus, provides a description of the Issuer's business activities as well as certain financial information and material risks faced by the Issuer.

#### How do I use this Base Prospectus?

This Base Prospectus, together with certain other documents listed within, is intended to provide you with information necessary to enable you to make an informed investment decision before purchasing any Securities.

The contractual terms of any particular issuance of Securities will be composed of the terms and conditions set out at pages 115 to 256 of this Base Prospectus (the "**General Conditions**"), as completed by a separate Final Terms document, which is specific to that issuance of Securities (the "**Final Terms**").

The General Conditions comprise five Sections (A to E):

- Sections A: INTRODUCTION, B: FORM, TITLE, TRANSFER, CALCULATIONS, PAYMENTS AND SETTLEMENT and E: GENERAL PROVISIONS are generic provisions which apply to issuances of Securities generally;
- Sections C: INTEREST, AUTOMATIC REDEMPTION (AUTOCALL), FINAL REDEMPTION AND NOMINAL CALL EVENT and D: EQUITY LINKED CONDITIONS, DISRUPTION EVENTS AND TAXES AND EXPENSES contain certain optional provisions that will only apply

to certain issuances of Securities. The Final Terms document will specify which provisions from Sections C and D apply to your Securities.

The provisions from Section C that are specified to be applicable in the Final Terms will contain the relevant economic terms applicable to your Securities, as follows:

- the relevant sub-paragraph of General Condition 7 (*Interest*) sets out how any interest amounts will be calculated;
- General Condition 8 (*Automatic Redemption (Autocall)*), if specified to apply in the Final Terms, contains details on the calculation of the early redemption amount which is payable following an 'autocall event';
- General Condition 9 (*Final redemption*) sets out how any settlement amount or entitlement will be calculated upon redemption (in the event that the Securities do not redeem early); and
- General Condition 10 (*Nominal Call Event*), will, if specified to apply in the Final Terms, set out the amount payable (if any) if the Securities are redeemed by the Issuer following a Nominal Call Event.

Worked examples of hypothetical Securities are set out in the section called '*How the return on your investment is calculated*' which explains how the calculations in Section C of the General Conditions will be made.

This Base Prospectus also includes other general information such as information about the material risks relating to investing in Securities and information on selling and transfer restrictions. The Registration Document incorporated by reference into this Base Prospectus provides a description of the Issuer's business activities as well as certain financial information and material risks faced by the Issuer.

All capitalised terms used will be defined in this Base Prospectus or the Final Terms and are referenced in the Index to this Base Prospectus.

#### **What other documents do I need to read?**

This Base Prospectus (including the Registration Document and the other information which is incorporated by reference) contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Securities. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms. You should read the documents incorporated by reference, as well as the Final Terms in respect of such Securities, together with this Base Prospectus.

Documents will be made available at the registered office of the Issuer and at <http://www.barclays.com/barclays-investor-relations/results-and-reports/results.html>, <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms> (as applicable).

#### **What information is included in the Final Terms?**

While this Base Prospectus includes general information about all Securities, the Final Terms is the document that sets out the specific details of each particular issuance of Securities. For example, the Final Terms will contain:

- the issue date;
- the date(s) on which the Securities may redeem early due to an 'autocall event', if applicable;
- the type of final redemption amount or entitlement payable or deliverable (assuming that the Securities do not redeem early due to an 'autocall event' or for any other reason) and the scheduled final redemption date;

- the type of interest and the interest payment dates;
- whether or not the Securities may be redeemed early at the option of the Issuer following a Nominal Call Event; and
- any other information needed to complete the terms included in this Base Prospectus for the particular Securities (identified by the words 'as specified in the Final Terms' or other equivalent wording).

Wherever the General Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Securities.

**What type of Underlying Assets may the Securities be linked to?**

Securities issued under this Base Prospectus will be 'derivative securities' for the purposes of the Prospectus Directive, reflecting the fact that the interest terms may be, and the repayment terms shall be, linked to one or more of the following types of underlying: equity indices, shares, depository receipts representing shares or funds.



**5 June 2015**

## IMPORTANT INFORMATION

**THE AMOUNT PAYABLE OR DELIVERABLE ON REDEMPTION OF THE SECURITIES MAY BE LESS THAN THE ORIGINAL INVESTED AMOUNT (AND IN SOME CASES MAY BE ZERO), IN WHICH CASE YOU MAY LOSE SOME OR ALL OF YOUR ORIGINAL INVESTMENT.**

**FOR ALL SECURITIES, IF THE ISSUER BECOMES INSOLVENT OR BANKRUPT OR OTHERWISE FAILS TO MAKE ITS PAYMENT OR DELIVERY OBLIGATIONS ON THE SECURITIES, YOU WILL LOSE SOME OR ALL OF YOUR ORIGINAL INVESTMENT.**

**INVESTING IN SECURITIES INVOLVES CERTAIN RISKS, AND YOU SHOULD FULLY UNDERSTAND THESE BEFORE YOU INVEST. SEE THE SECTION HEADED 'RISK FACTORS' BELOW.**

### **Regulatory approval and passporting for the purposes of the EU Prospectus Directive**

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "FCA") in its capacity as competent authority in the United Kingdom (the "**UK Listing Authority**") as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Securities pursuant to the Programme on and during the period of 12 months after the date hereof.

Notification of this approval will be made to the competent authorities of Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain and Sweden.

The contents of this Base Prospectus have not been reviewed or approved by any regulatory authority other than the UK Listing Authority.

### **No compensation arrangements**

Any failure by the Issuer to make payments or deliveries due under the Securities would not of itself give rise to any claim for compensation on the grounds of such a failure. You would not have a claim for compensation against the UK's Financial Services Compensation Scheme. For more information regarding Issuer risk, please see '*Risk Factors*' – risk factor 1 (*Risks associated with the Issuer's ability to fulfil its obligations under the Securities and status of the Securities*).

### **No investment advice**

Neither this Base Prospectus nor any Final Terms is or purports to be investment advice. Unless expressly agreed otherwise with a particular investor, neither the Issuer nor any Manager is acting as an investment adviser, providing advice of any other nature, or assuming any fiduciary obligation to any investor in Securities.

### **Independent evaluation**

Nothing set out or referred to in this Base Prospectus is intended to provide the basis of any credit or other evaluation (except in respect of any purchase of Securities described herein) or should be considered as a recommendation by the Issuer or any Manager that any recipient of this Base Prospectus (or any document referred to herein) should purchase any Securities.

An investor should not purchase the Securities unless they understand the extent of their exposure to potential loss. Investors are urged to read the factors described in the section headed '*Risk Factors*', together with the other information in this Base Prospectus (including any information incorporated by reference), as supplemented from time to time, and the Final Terms, before investing in the Securities.

Investors should note that (i) the risks described in the section headed '*Risk Factors*' of this Base Prospectus and (ii) the risks described in the section headed '*Risk Factors*' of the Registration Document (which is incorporated by reference into this Base Prospectus) are not the only risks that the Issuer faces or that may arise because of the nature of the Securities. The Issuer has described only those risks relating to its operations and to the Securities that it considers to be material. There may be

additional risks that the Issuer currently considers not to be material or of which it is not currently aware.

Given the nature, complexity and risks inherent in the Securities (and investments relating to any underlying assets), the Securities may not be suitable for an investor's investment objectives in the light of his or her financial circumstances. Investors should consider seeking independent advice to assist them in determining whether the Securities are a suitable investment for them or to assist them in evaluating the information contained or incorporated by reference into this Base Prospectus or set out in the Final Terms.

You have sole responsibility for the management of your tax and legal affairs including making any applicable filings and payments and complying with any applicable laws and regulations. Neither the Issuer, nor any of its Affiliates will provide you with tax or legal advice and you should obtain your own independent tax and legal advice tailored to your individual circumstances. The tax treatment of structured products, such as the Securities, can be complex; the tax treatment applied to an individual depends on their circumstances. The level and basis of taxation may alter during the term of any product.

Amounts due to be paid to you are described on a gross basis, i.e. without calculating any tax liability. The Issuer shall make no deduction for any tax, duty, or other charge unless required by law.

#### **Potential for discretionary determinations by the Issuer or the Determination Agent**

Under the terms and conditions of the Securities, following the occurrence of certain events relating to the Issuer, the Issuer's hedging arrangements, the Underlying Asset(s), taxation, the relevant currency or other matters, the Issuer or the Determination Agent may determine to take one of the actions available to it in order to deal with the impact of such event on the Securities or the Issuer or both. These actions may include (i) adjustment to the terms and conditions of the Securities, (ii) substitution of the Underlying Asset(s) or (iii) early redemption of the Securities. Any such discretionary determination by the Issuer or Determination Agent could have a material adverse impact on the value of and return on the Securities. See, in particular, '*Risk Factors*' – risk factor 14 (*Risks associated with discretionary powers of the Issuer and the Determination Agent, including in relation to the Issuer's hedging arrangements*) below.

#### **Distribution**

The distribution or delivery of this Base Prospectus or any Final Terms and any offer or sale of Securities in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation. Other than as expressly described in this Base Prospectus, no action is being taken to permit an offering of Securities or the delivery of this Base Prospectus in any jurisdiction. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions.

Details of selling restrictions for various jurisdictions are set out in the section headed '*Purchase and Sale*'.

#### **US selling restrictions**

The Securities and, as applicable, the Entitlements have not been and will not be registered under the US 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 may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("**Regulation S**") ("**US persons**"). The Securities and, as applicable, the Entitlements are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

Securities in bearer form may be subject to US tax law requirements (as described below). Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or its possessions to United States persons (as defined in the US Internal Revenue Code of 1986 (the "**Code**") and the regulations thereunder).

For a description of these and certain further restrictions on offers, sales and transfers of Securities and delivery of this Base Prospectus and any Final Terms, see '*Purchase and Sale*' and '*Clearance, Settlement and Transfer Restrictions*' herein.

THE SECURITIES AND, AS APPLICABLE, THE ENTITLEMENTS HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR ENTITLEMENTS OR THE ACCURACY OR THE ADEQUACY OF THE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

#### **US foreign account tax compliance withholding**

**THE FOREIGN ACCOUNT TAX COMPLIANCE ACT IS PARTICULARLY COMPLEX AND ITS CURRENT AND FUTURE APPLICATION TO THE ISSUER, SECURITIES AND THE INVESTORS IS UNCERTAIN AT THIS TIME. YOU SHOULD CONSULT YOUR OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT YOU IN YOUR PARTICULAR CIRCUMSTANCE, INCLUDING HOW THE FATCA RULES MAY APPLY TO PAYMENTS RECEIVED UNDER THE SECURITIES BOTH CURRENTLY AND IN FUTURE.**

#### **Change of circumstances**

Neither the delivery of this Base Prospectus or any Final Terms, nor any sale of Securities pursuant thereto, shall create any impression that information therein relating to the Issuer is correct at any time subsequent to the date thereof 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 foregoing being without prejudice to the Issuer's obligations under applicable rules and regulations).

#### **Representations**

In connection with the issue and sale of Securities, no person has been authorised to give any information or to make any representation not contained in or consistent with the Base Prospectus and Final Terms and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. The Issuer does not accept responsibility for any information not contained in this Base Prospectus and Final Terms. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this Base Prospectus in any jurisdiction where action is required.

#### **Representations in relation to Swiss Securities**

If you purchase Swiss Securities you shall be deemed to have agreed to be bound by the exercise of any UK Bail-In Power by the Relevant UK Resolution Authority. See risk factor 3 (*Regulatory action in the event a bank or investment firm in the Group (such as the Issuer) is failing or likely to fail could materially adversely affect the value of the Securities*) and General Condition 3 (*Contractual acknowledgement of bail-in in respect of Swiss Securities*).

#### **Calculations and determinations**

Unless otherwise specified, all calculations and determinations in respect of the Securities shall be made by either Barclays Bank PLC or Barclays Capital Securities Limited (acting in such capacity, the "**Determination Agent**").

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**GENERAL INFORMATION**

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*This section provides a general description of the Programme, as well as certain additional information relating to all Securities.*

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*An index of all defined terms used in this Base Prospectus.*

**SUMMARY**

Summaries are made up of disclosure requirements known as 'elements'. These elements are numbered in sections A to E (A.1 to E.7).

This summary (the "**Summary**") contains all the elements required to be included in a summary for these types of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though an element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case a short description of the element is included in the Summary after the words 'not applicable'.

<b>Section A – Introduction and warnings</b>		
<b>A.1</b>	<b>Introduction and warnings</b>	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole, including any information incorporated by reference, and read together with the Final Terms.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff might, under the national legislation of the relevant Member State of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>No civil liability shall attach to any responsible person solely on the basis of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid holders when considering whether to invest in the Securities.</p>
<b>A.2</b>	<b>Consent by the Issuer to the use of prospectus in subsequent resale or final placement of Securities</b>	<p>[The Issuer may provide the consent to the use of the Base Prospectus and Final Terms for subsequent resale or final placement of Securities by financial intermediaries, provided that the subsequent resale or final placement of Securities by such financial intermediaries is made during the offer period specified below. Such consent may be subject to conditions which are relevant for the use of the Base Prospectus.]</p> <p>[The Issuer consents to the use of the Base Prospectus and these Final Terms with respect to the subsequent resale or final placement of Securities (a "<b>Public Offer</b>") which satisfies all of the following conditions:</p> <p>(a) the Public Offer is only made in [Belgium] [Denmark] [Finland] [France] [Ireland] [Italy] [Luxembourg] [Malta] [the Netherlands] [Norway] [Portugal] [Spain] [Sweden] [and/or] [the United Kingdom]; [and]</p> <p>(b) the Public Offer is only made during the period from and including [●], to, but excluding, [●] (the "<b>Offer Period</b>"); [and]</p> <p>(c) the Public Offer is only made by [●] [and] [each financial intermediary whose name is published on the Issuer's website (<a href="http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms">http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms</a>) and who is identified as an authorised offeror for these Securities] [any financial intermediary which (i) is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC of the European Parliament and of the Council) and (ii) has published on its website that it is using the Base Prospectus in accordance with the Issuer's consent and the conditions attached thereto] ([each] an "<b>Authorised Offeror</b>")].]; and]</p>

		<p>(d) [●].</p> <p><b>Information on the terms and conditions of an offer by any Authorised Offeror is to be provided at the time of that offer by the Authorised Offeror.]</b></p> <p>[Not Applicable: the Issuer does not consent to the use of the Base Prospectus for subsequent resales.]</p>
<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	The Securities are issued by Barclays Bank PLC (the " <b>Issuer</b> ").
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of the Issuer</b>	<p>The Issuer is a public limited company registered in England and Wales.</p> <p>The principal laws and legislation under which the Issuer operates are laws of England and Wales including the Companies Act.</p>
<b>B.4b</b>	<b>Known trends affecting the Issuer and industries in which the Issuer operates</b>	<p>The business and earnings of the Issuer and its subsidiary undertakings (together, the "<b>Bank Group</b>" or "<b>Barclays</b>") can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the UK, EU, US and elsewhere, which are all subject to change. The regulatory response to the financial crisis has led and will continue to lead to very substantial regulatory changes in the UK, EU and US and in other countries in which the Bank Group operates. It has also (amongst other things) led to (i) a more assertive approach being demonstrated by the authorities in many jurisdictions; and (ii) enhanced capital, leverage, liquidity and funding requirements (for example pursuant to the fourth Capital Requirements Directive (CRD IV)). Any future regulatory changes may restrict the Bank Group's operations, mandate certain lending activity and impose other, significant compliance costs.</p> <p>Known trends affecting the Issuer and the industry in which the Issuer operates include:</p> <ul style="list-style-type: none"> <li>• continuing political and regulatory scrutiny of the banking industry which is leading to increased or changing regulation that is likely to have a significant effect on the structure and management of the Bank Group;</li> <li>• general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection, increased regulation and procedures for the protection of customers and clients of financial services firms and an increased willingness on the part of regulators to investigate past practices, vigorously pursue alleged violations and impose heavy penalties on financial services firms;</li> <li>• increased levels of legal proceedings in jurisdictions in which the Bank Group does business, including in the form of class actions;</li> <li>• the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which contains far-reaching regulatory reform (including</li> </ul>

		<p>restrictions on proprietary trading and fund-related activities (the so-called 'Volcker rule');</p> <ul style="list-style-type: none"> <li>the United Kingdom Financial Services (Banking Reform) Act 2013 which gives United Kingdom authorities powers to implement measures for, among others: (i) the separation of the United Kingdom and EEA retail banking activities of the largest United Kingdom banks into a legally, operationally and economically separate and independent entity (so-called 'ring-fencing'); (ii) statutory depositor preference in insolvency; and (iii) a 'bail-in' stabilisation option; and</li> <li>changes in competition and pricing environments.</li> </ul>
<b>B.5</b>	<b>Description of the group and the Issuer's position within the group</b>	<p>Barclays is a major global financial services provider.</p> <p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Bank Group.</p>
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not Applicable: the Issuer has chosen not to include a profit forecast or estimate.
<b>B.10</b>	<b>Nature of any qualifications in audit report on historical financial information</b>	Not Applicable: the audit report on the historical financial information contains no such qualifications.
<b>B.12</b>	<b>Selected key financial information; no material adverse change and no significant change statements</b>	<p>Based on the Bank Group's audited financial information for the year ended 31 December 2014, the Bank Group had total assets of £1,358,693 million (2013: £1,344,201 million), total net loans and advances of £470,424 million (2013: £474,059 million), total deposits of £486,258 million (2013: £487,647 million), and total shareholders' equity of £66,045 million (2013: £63,220 million) (including non-controlling interests of £2,251 million (2013: £2,211 million)). The profit before tax from continuing operations of the Bank Group for the year ended 31 December 2014 was £2,309 million (2013: £2,885 million) after credit impairment charges and other provisions of £2,168 million (2013: £3,071 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2014.</p> <p>Not Applicable: there has been no significant change in the financial or trading position of the Bank Group since 31 March 2015.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2014.</p>
<b>B.13</b>	<b>Recent events particular to the Issuer which are materially relevant to the evaluation of Issuer's solvency</b>	Not Applicable.
<b>B.14</b>	<b>Dependency of the Issuer on other entities within the group</b>	<p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Bank Group.</p> <p>The financial position of the Issuer is dependent on the financial position</p>

		of its subsidiary undertakings.
<b>B.15</b>	<b>Description of the Issuer's principal activities</b>	The Bank Group is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the United States, Africa and Asia.
<b>B.16</b>	<b>Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control</b>	The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Issuer and its subsidiary undertakings.
<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and class of Securities being offered and/or admitted to trading</b>	<p>The securities ("<b>Securities</b>") described in this Summary:</p> <ul style="list-style-type: none"> <li>• are 'derivative securities' and are issued as a series of notes or certificates;</li> <li>• are transferable obligations of the Issuer and have the terms and conditions set out in this Base Prospectus as completed by the Final Terms;</li> <li>• [will bear interest at a fixed rate, a floating rate or at a rate determined by reference to the performance of one or more Underlying Asset(s) which could be equity indices, shares, depository receipts or funds;]</li> <li>• [may (depending on the particular Securities) automatically redeem early if the Underlying Asset(s) is/are above a certain level on any of the specified dates;]</li> <li>• if not redeemed early, will be redeemed on the scheduled redemption date at an amount linked to the performance of the Underlying Asset(s);</li> <li>• may be cleared through a clearing system or uncleared and may be held in bearer or registered form. Certain cleared Securities may be in dematerialised and uncertificated book-entry form. Title to cleared Securities will be determined by the books of the relevant clearing system; and</li> <li>• will be issued in one or more series and each series may be issued in one or more tranches on the same or different issue dates. The Securities of each series are intended to be interchangeable with all other Securities of that series. Each series will be allocated a unique series number and an identification code.</li> </ul> <p><b>Issue Date:</b> [●]</p> <p><b>Interest:</b> [The amount of interest payable on the Securities is determined by reference to a [fixed rate of [●]%%[ per annum]] [floating rate of interest]. [Whether or not interest is paid will depend on the performance of [●] (the "<b>Underlying Asset[s]</b>"). In some cases the interest amount could be zero.]]</p> <p><b>[Early redemption following an Automatic Redemption (Autocall) Event:</b> The Securities will redeem prior to their scheduled redemption date if the closing price or level of [the][every] Underlying Asset is at or</p>

		<p>above its corresponding Autocall Barrier on any of the specified autocall valuation dates. If this occurs, you will receive a cash payment equal to the nominal amount (or face value) of your Securities payable on a specified payment date.]</p> <p><b>[Early redemption following a nominal call event:</b> The Issuer may elect to redeem the Securities prior to their scheduled redemption date if the aggregate nominal amount or the number of Securities outstanding drops below a certain threshold. If this occurs, you will receive a cash payment equal to the market value of your Securities (adjusted to take into account relevant costs, losses and expenses), payable on a specified payment date.]</p> <p><b>Final redemption:</b> If the Securities have not redeemed early they will redeem on the scheduled redemption date and the cash payment you receive or underlying asset you are delivered (if any) will be determined by reference to the value of the Underlying Asset[s] on a specified valuation date or dates during the life of the Securities.</p> <p><b>Form:</b> The Securities are [notes] [certificates]. [The Securities will initially be issued in [global] [bearer] [registered] form.] [The Securities will be issued in definitive registered form.] [The Securities will be issued in dematerialised and uncertificated book-entry form.] [The Securities will be issued in [bearer form (<i>au porteur</i>)] [registered form (<i>au nominatif</i>)].] [The Securities will be issued in the form of uncertificated securities and entered into the main register (<i>Hauptregister</i>) of SIX SIS AG as custodian (<i>Verwahrungsstelle</i>).] [The Securities will be represented by a single Global Security in registered form that is deposited with SIX SIS AG as central depository.] [Interests in the Securities will be constituted through the issuance of dematerialised depository interests (the "<b>CDIs</b>"), issued held, settled and transferred through Euroclear UK &amp; Ireland Limited (formerly known as CRESTCO Limited) ("<b>CREST</b>").]</p> <p><b>Identification:</b> Series number: [●]; Tranche number: [●]</p> <p><b>Identification Codes:</b> ISIN: [●][, Common Code [●]][, Valoren [●]][, [●]].</p> <p><b>Determination Agent:</b> [Barclays Bank PLC/Barclays Capital Securities Limited] (the "<b>Determination Agent</b>") will be appointed to make calculations and determinations with respect to the Securities.</p> <p><b>Governing law:</b> The Securities will be governed by [English law] [French law] [Swiss law].</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Securities may be issued in any currency.</p> <p>[The Securities will be denominated in [pounds sterling ("<b>GBP</b>")][Euro ("<b>EUR</b>")][United States dollars ("<b>USD</b>")][●].]</p>
C.5	Description of restrictions on free transferability of the Securities	<p>Securities are offered and sold outside the United States to non-US persons in reliance on Regulation S and must comply with transfer restrictions with respect to the United States.</p> <p>Securities held in a clearing system will be transferred in accordance with the rules, procedures and regulations of that clearing system.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
C.8	Description of rights attached to the Securities,	<p><b>Rights:</b> Each Security includes a right to a potential return of interest and amount payable or deliverable on redemption together with certain ancillary rights such as the right to receive notice of certain</p>

	<p><b>and limitations to those rights and ranking of the Securities</b></p>	<p>determinations and events and to vote on future amendments.</p> <p><b>Taxation:</b> All payments in respect of the Securities shall be made without withholding or deduction for or on account of any UK taxes unless such withholding or deduction is required by law. In the event that any such withholding or deduction is required by law, the Issuer will, save in limited circumstances, pay additional amounts to cover the amounts so withheld or deducted.</p> <p>[<b>Renouncement:</b> Holders of Securities listed on Borsa Italiana S.p.A. may renounce the redemption of Securities by delivering a notice to that effect.]</p> <p><b>Events of default:</b> If the Issuer fails to make any payment due under the Securities or breaches any other term and condition of the Securities in a way that is materially prejudicial to the interests of the holders (and such failure is not remedied within 30 days, or, in the case of interest, 14 days), or the Issuer is subject to a winding-up order, then (subject, in the case of interest, to the Issuer being prevented from payment for a mandatory provision of law) the Securities will become immediately due and payable, upon notice being given by the holder (or, in the case of French law Securities, the representative of the holders).</p> <p><b>Ranking:</b> The Securities are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves.</p> <p><b>Limitations to rights:</b> Notwithstanding that the Securities are linked to the performance of the underlying asset(s), Holders do not have any rights in respect of the underlying assets(s). The terms and conditions of the Securities contain provisions for calling meetings of holders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, in certain circumstances, the Issuer may amend the terms and conditions of the Securities, without the holders' consent. The terms and conditions of the Securities permit the Issuer and the Determination Agent (as the case may be), on the occurrence of certain events and in certain circumstances, without the holders' consent, to make adjustments to the terms and conditions of the Securities, to redeem the Securities prior to maturity, (where applicable) to postpone valuation of the underlying asset(s) or scheduled payments under the Securities, to change the currency in which the Securities are denominated, to substitute the Issuer with another permitted entity subject to certain conditions, and to take certain other actions with regard to the Securities and the underlying asset(s) (if any).</p>
<p>C.11</p>	<p><b>Admission to trading</b></p>	<p>[Securities may be admitted to trading on a regulated market in Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden or the United Kingdom. Securities may be listed and admitted to trading on a market in Switzerland or Italy that is not a regulated market for the purposes of the Prospectus Directive.]</p> <p>[Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the [regulated market of the] [London Stock Exchange] [Irish Stock Exchange] [NYSE Euronext Paris] [NYSE Euronext Brussels] [Luxembourg Stock Exchange] [Malta Stock Exchange] [NASDAQ OMX Copenhagen] [NASDAQ OMX Stockholm] [Oslo Stock Exchange] [Nordic Derivatives Exchange (NDX)] [NASDAQ OMX Helsinki] [Borsa Italiana S.p.A.] [Bolsas y Mercados Españoles] [NYSE Euronext Lisbon] [NYSE Euronext Amsterdam] [SIX Swiss Exchange] [the multilateral trading facility of EuroTLX SIM S.p.A.] [●] with effect</p>

		<p>from [●]. [The Tranche [●] Securities were admitted to trading on [the London Stock Exchange] [the Irish Stock Exchange] [NYSE Euronext Paris] [NYSE Euronext Brussels] [Luxembourg Stock Exchange] [Malta Stock Exchange] [NASDAQ OMX Copenhagen] [NASDAQ OMX Stockholm] [Oslo Stock Exchange] [Nordic Derivatives Exchange (NDX)] [NASDAQ OMX Helsinki] [Borsa Italiana S.p.A.] [Bolsas y Mercados Españoles] [NYSE Euronext Lisbon] [NYSE Euronext Amsterdam] [SIX Swiss Exchange] [the multilateral trading facility of EuroTLX SIM S.p.A.] [●] on or around [●]]</p> <p>[Not Applicable: the Securities are not intended to be listed or admitted to trading.]</p>
<p><b>C.15</b></p>	<p><b>Description of how the value of the investment is affected by the value of the underlying instrument</b></p>	<p>[The return on, and value of, Securities will be linked to the performance of one or more specified equity indices, shares, depository receipts or funds or a combination of these.]</p> <p>The underlying asset[s] for the Securities [is][are]: [●] ([each, an] [the] "<b>Underlying Asset</b>").</p> <p>Calculations in respect of amounts payable under the Securities are made by reference to a "<b>Calculation Amount</b>", being [●]. Where the Calculation Amount is different from the specified denomination of the Securities, the amount payable will be scaled accordingly.</p> <p><b>Indicative amounts:</b> If the Securities are being offered by way of a Public Offer and any specified product values are not fixed or determined at the commencement of the Offer Period, these specified product values will specify an indicative amount, indicative minimum amount, an indicative maximum amount or any combination thereof. In such case, the relevant specified product value(s) shall be the value determined based on market conditions by the Issuer on or around the end of the Offer Period. Notice of the relevant specified product value will be published prior to the Issue Date.</p> <p style="text-align: center;"><b>INTEREST</b></p> <p>[<b>Fixed Interest:</b> Each Security will pay a fixed amount of interest on each date specified below under the heading 'Interest Payment Date' (each, an "<b>Interest Payment Date</b>") calculated by multiplying the fixed rate (being [●]% [per annum]) by the Calculation Amount [and further multiplying by a fraction representing the number of days in the relevant interest calculation period over which interest has accrued].</p> <p><b>Interest Payment Date</b></p> <p>[●]</p> <p>][<b>Floating Rate Interest:</b> Each Security will pay a variable amount of interest (based on a floating rate) on the dates specified below under the heading 'Interest Payment Date' (each, an "<b>Interest Payment Date</b>"), provided that the Security has not redeemed prior to the relevant Interest Payment Date.</p> <p>[The rate of interest for each interest calculation period will be determined on the basis of a particular floating rate, which will be one of the following:</p> <p>(1) <i>Floating Rate Determination:</i></p> <p>(a) a rate (or the mean of several rates) which appear(s) on a particular screen page of an information services provider (e.g. Bloomberg or Reuters) on or around the date when interest is calculated; or</p>



		<p>(b) a rate of return of a daily compound interest investment (with the arithmetic mean of the daily rates of the day-to-day Eurozone interbank euro money market as reference rate) determined in accordance with a specified formula ("EONIA") on or around the date when interest is calculated;</p> <p>(2) <i>CMS Rate Determination</i>: a swap rate for swap transactions in the specified currency with a designated maturity which appears on a particular screen page on or around the date when interest is calculated; or</p> <p>(3) <i>Bank of England Base Rate Determination</i>: the most recently published Bank of England rate for short-term deposits which is published by Reuters on the relevant screen page on the relevant interest determination date (the 'Bank of England Base Rate').</p> <p>The relevant floating rate is determined on a fixed date in respect of each interest calculation period and is fixed for the duration of that period. This rate determines how much interest is paid on the interest payment date at the end of that interest calculation period. The floating rate is then recalculated in the same manner in respect of the next interest calculation period.]</p> <p>For this issuance of Securities, the floating rate is</p> <p>[the quotation for [●] [month/year] [●] that appears on [Bloomberg Screen [●]] [Reuters Screen [●] Page] at [●] [a.m.][p.m.] [●] time on the date for determining the floating rate]/[the arithmetic mean of the quotations for [●] [month/year] [●] that appears on [Bloomberg Screen [●]] [Reuters Screen [●] Page] at [●] [a.m.][p.m.] on the date for determining the floating rate.][EONIA]</p> <p>[the [swap rate/annual swap rate/semi-annual swap rate/quarterly swap rate/quarterly-annual swap rate/quarterly-quarterly swap rate] for swap transactions in [●] (the Reference Currency) with a maturity of [●] (the Designated Maturity) which appears on [●] (the Relevant Screen Page) as at [●] [a.m.][p.m.] (the Relevant Time) on the date for determining the floating rate.]</p> <p>[the Bank of England's base rate for deposits.]</p> <p>[This floating rate is then added to the 'Margin', which is [●]%, provided that the resulting sum is not [greater than the cap percentage (being [●]%) [or] [less than the floor percentage (being [●]%)]. The result of this calculation is described as the 'Rate of Interest'.]</p> <p>The interest amount per Calculation Amount payable on an Interest Payment Date will be calculated by multiplying the Rate of Interest by the Calculation Amount and then by a fraction representing the number of days in the relevant interest calculation period over which interest has accrued.</p> <p><b>Interest Payment Date</b></p> <p>[●]</p> <p>][<b>Snowball interest</b>: Each Security will only pay interest on an Interest Payment Date if the closing price or level of [the][every] Underlying Asset on the corresponding Interest Valuation Date is greater than or equal to its corresponding Interest Barrier. If this occurs, the amount of interest payable is calculated by:</p> <p>(1) multiplying the fixed rate of [●]% by [●]; and then</p>
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(2) multiplying the result by the number corresponding to that interest valuation date (i.e. the number in the column headed 'T' in the table below).

Each Interest Payment Date, corresponding Interest Valuation Date, T and Interest Barrier[s] is as follows:

T	Interest Valuation Date	Interest Payment Date	Interest Barrier[s]
[●]	[●]	[●]	[●]% of the Initial Price

][**Phoenix without memory interest:** Each Security will only pay interest in respect of an Interest Valuation Date if the closing price or level of [the][every] Underlying Asset on such Interest Valuation Date is greater than or equal to its corresponding Interest Barrier. If this occurs, the amount of interest payable with respect to that Interest Valuation Date is calculated by multiplying the fixed rate of [●]% by [●].

Interest will be payable on [the corresponding Interest Payment Date set out in the table below][the date on which the Securities are redeemed.] Each Interest Valuation Date and Interest Barrier[s] is as follows:

Interest Valuation Date	Interest Barrier[s]	[Interest Payment Date]
[●]	[●]% of the Initial Price	[●]

][**Phoenix with memory interest:** Each Security will only pay interest in respect of an Interest Valuation Date if the closing price or level of [the][every] Underlying Asset on such Interest Valuation Date is greater than or equal to its corresponding Interest Barrier. If this occurs, the amount of interest payable with respect to that Interest Valuation Date is calculated by adding the sum of (1) and (2) below:

- (1) the fixed rate of [●]% multiplied by [●]; and
- (2) the number of previous Interest Valuation Dates in respect of which no interest was payable (since the last time interest was payable) multiplied by the fixed rate of [●]% multiplied by [●].

Interest will be payable on [the corresponding Interest Payment Date set out in the table below] [the date on which the Securities are redeemed.] Each Interest Valuation Date and Interest Barrier[s] is as follows:

Interest Valuation Date	[Interest Payment Date]	Interest Barrier[s]
[●]	[●]	[●]% of the Initial Price

][**Phoenix One Touch – Daily interest:** Each Security will only pay interest on an Interest Payment Date if the closing price or level of [the][every] Underlying Asset on any Observation Date during the corresponding Interest Observation Period is greater than or equal to its corresponding Interest Barrier for such period. If this occurs, the amount of interest payable on the relevant Interest Payment Date is calculated by multiplying the fixed interest rate of [●]% by [●].

Each Interest Observation Period and the corresponding Interest Payment Date, Interest Barrier and Observation Date(s) is as follows:

Interest Observation Period	Interest Payment Date	Interest Barrier[s]	Observation Date[s]
[●]	[●]	[●]% of the Initial Price	[●]

][**Phoenix One Touch – Continuous interest:** Each Security will only pay interest on an Interest Payment Date if the market price or level of [the][every] Underlying Asset at any time on any Observation Date during the corresponding Interest Observation Period is greater than or equal to its corresponding Interest Barrier for such period. If this occurs, the amount of interest payable on the relevant Interest Payment Date is calculated by multiplying the fixed rate of [●]% by [●].

Each Interest Observation Period and the corresponding Interest Payment Date, Interest Barrier and Observation Date(s) is as follows:

Interest Observation Period	Interest Payment Date	Interest Barrier[s]	Observation Date[s]
[●]	[●]	[●]% of the Initial Price	[●]

][**Phoenix No Touch – Daily interest:** Each Security will only pay interest on an Interest Payment Date if the closing price or level of [the][every] Underlying Asset on every scheduled trading day during the corresponding Interest Observation Period is greater than or equal to its corresponding Interest Barrier for such period. If this occurs, the amount of interest payable on the relevant Interest Payment Date is calculated by multiplying the fixed rate of [●]% by [●].

Each Interest Observation Period and the corresponding Interest Payment Date and Interest Barrier is as follows:

Interest Observation Period	Interest Payment Date	Interest Barrier[s]
[●]	[●]	[●]% of the Initial Price

][**Phoenix No Touch – Continuous interest:** Each Security will only pay interest on an Interest Payment Date if the market price or level of [the][every] Underlying Asset at all times on every scheduled trading day during the corresponding Interest Observation Period is greater than or equal to its corresponding Interest Barrier for such period. If this occurs, the amount of interest payable on the relevant Interest Payment Date is calculated by multiplying the fixed rate of [●]% by [●].

Each Interest Observation Period and the corresponding Interest Payment Date and Interest Barrier is as follows:

Interest Observation Period	Interest Payment Date	Interest Barrier[s]
[●]	[●]	[●]% of the Initial Price

][**Range Accrual interest:** Each Security will pay interest (if any) on an Interest Payment Date based on the number of Observation Dates on which the closing price or level of [the][every] Underlying Asset is equal to or above its corresponding Lower Barrier [and equal to or below its

corresponding Upper Barrier] during the corresponding Interest Observation Period.

The amount of interest payable on the relevant Interest Payment Date is calculated by:

- (1) adding up the number of Observation Dates during the relevant Interest Observation Period that the closing price or level of [the][every] Underlying Asset is at or above its corresponding Lower Barrier [and at or below its corresponding Upper Barrier]; and then
- (2) dividing the result of (1) by the total number of Observation Dates in the relevant Interest Observation Period; and then
- (3) multiplying the result of (2) by the fixed rate of [●]% and then multiplying by [●].

Each Interest Observation Period and the corresponding Interest Payment Date, Lower Barrier[, Upper Barrier] and Observation Date is as follows:

Interest Observation Period	Interest Payment Date	Lower Barrier[s]	[Upper Barrier[s]]	Observation Date[s]
[●]	[●]	[ ● ]% of the Initial Price	[ ● ]% of the Initial Price	[●]

][**Knock-out interest:** Each Security will only pay interest on an Interest Payment Date if the closing price or level of [the][any] Underlying Asset on every scheduled trading day from (but excluding) the [relevant] initial valuation date (being [in respect of [●],] [●]) to (and including) the corresponding Interest Valuation Date is never less than its Knock-out Barrier (being [●]% of the Initial Price). If this occurs, the amount of interest payable on the corresponding Interest Payment Date is calculated by multiplying the fixed interest rate of [●]% by [●].

Each Interest Valuation Date and the corresponding Interest Payment Date is as follows:]

Interest Valuation Date	Interest Payment Date
[●]	[●]

**[AUTOMATIC REDEMPTION (AUTOCALL)]**

The Securities will automatically redeem prior to their scheduled redemption date if the closing price or level of [the][every] Underlying Asset is at or above its corresponding Autocall Barrier on any Autocall Valuation Date (an "Automatic Redemption (Autocall) Event"). If this occurs, you will receive a cash payment equal to the nominal amount of your Securities payable on the Autocall Redemption Date corresponding to such Autocall Valuation Date.

Each Autocall Valuation Date and the corresponding Autocall Barrier[s] is as follows:

Autocall Valuation Date	Autocall Redemption Date	Autocall Barrier[s]

		[●]	[●]	[●]% of the Initial Price
]				
<b>FINAL REDEMPTION</b>				
<p>If the Securities have not redeemed early they will redeem on the scheduled redemption date at an amount that is dependent on each of the following:</p>				
<ul style="list-style-type: none"> <li>• the 'Initial Price' of the [Worst Performing] Underlying Asset, which reflects the price or level of that asset near the issue date of the Securities;</li> <li>• the 'Final Valuation Price' of the [Worst Performing] Underlying Asset, which reflects the price or level of that asset near the scheduled redemption date;</li> <li>• [the 'Strike Price' of the [Worst Performing] Underlying Asset, which is calculated as [●] multiplied by the Initial Price of that asset;]</li> <li>• [the 'Lower Strike Price' of the [Worst Performing] Underlying Asset, which is calculated as [●] multiplied by the Initial Price of that asset;]</li> <li>• [the 'Final Barrier' of the [Worst Performing] Underlying Asset, which is calculated as [●] multiplied by the Initial Price of that asset;][and]</li> <li>• [the 'Knock-in Barrier Price' of the [Worst Performing] Underlying Asset, which is calculated as [●] multiplied by the Initial Price of that asset.]</li> </ul>				
<p><b>Initial Price:</b> The Initial Price of [the] [each] Underlying Asset is [●] [the closing price or level of such Underlying Asset on [●]] [the arithmetic average of the closing price or level of such Underlying Asset on each of [●]] [the [maximum][minimum] closing price or level of such Underlying Asset on each of [●]].</p>				
<p><b>Final Valuation Price:</b> The Final Valuation Price of [the][each] Underlying Asset is [the closing price or level of such Underlying Asset on [●] the "<b>Final Valuation Date</b>"] [the arithmetic average of the closing price or level of such Underlying Asset on each of [●]] [the [maximum][minimum] closing price or level of [the][such] Underlying Asset on each of [●]].</p>				
<p><b>[Worst Performing Underlying Asset:</b> The [Final Barrier, ][Knock-in Barrier Price, ][Initial Price, ][Lower Strike Price, ]Final Valuation Price and Strike Price to be considered for the purposes of determining the final redemption amount will be the [Final Barrier, ][Knock-in Barrier Price, ][Initial Price, ][Lower Strike Price, ]Final Valuation Price or Strike Price of the Underlying Asset with the lowest Performance. The 'Performance' of each Underlying Asset is calculated by dividing the Final Valuation Price of an asset by its Initial Price.]</p>				
* * * *				
<p><b>[Vanilla Barrier redemption:</b> If the Final Valuation Price is greater than or equal to [either: (1) the Final Barrier; or (2)] the Strike Price, you will receive a cash amount per Calculation Amount equal to [●]. Otherwise: [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p>				

	<p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[European Barrier redemption:</b> If the Final Valuation Price is greater than or equal to the Knock-in Barrier Price, you will receive a cash amount per Calculation Amount equal to [●]. Otherwise:</p> <p>[you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[American Barrier redemption:</b> If (a) the Final Valuation Price is greater than or equal to [either: (1) the Final Barrier; or (2)] the Strike Price OR (b) a Trigger Event has not occurred, you will receive a cash amount per Calculation Amount equal to [●].</p> <p>A "<b>Trigger Event</b>" occurs if the [closing price or level][market price or level] of [the][any] Underlying Asset [at any time] on any scheduled trading day from and including [●] to and including [●] is less than its Knock-in Barrier Price.</p> <p>Otherwise: [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[Call redemption:</b> If the Final Valuation Price is greater than or equal to the Initial Price:</p> <p>[you will receive a cash amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the participation percentage (being [●]) and then multiplied by the performance of the [Worst Performing] Underlying Asset. The performance of an Underlying Asset is calculated by dividing the Final Valuation Price by the Initial Price and then subtracting 1 from the result.]</p> <p>[you will receive a cash amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the lower of (a) the participation percentage (being [●]) multiplied by the</p>
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	<p>performance of the [Worst Performing] Underlying Asset and (b) the cap percentage (being [●]). The performance of an Underlying Asset is calculated by dividing the Final Valuation Price by the Initial Price and subtracting 1 from the result.]</p> <p>If the Final Valuation Price is (a) less than the Initial Price but (b) greater than or equal to the Strike Price, you will receive a cash amount per Calculation Amount equal to the Calculation Amount.</p> <p>If, however, the Final Valuation Price is less than the Strike Price, [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[Bull-Bear – European Barrier redemption:</b> If the Final Valuation Price is greater than or equal to the Strike Price, [you will receive a cash amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the participation percentage (being [●]) multiplied by the performance of the [Worst Performing] Underlying Asset. The performance of an Underlying Asset is calculated by subtracting the Strike Price from the Final Valuation Price and dividing the result by the Initial Price.]</p> <p>[you will receive a cash amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the lower of (a) the participation percentage (being [●]) multiplied by the performance of the [Worst Performing] Underlying Asset and (b) the cap percentage (being [●]). The performance of the Underlying Asset is calculated by subtracting the Strike Price from the Final Valuation Price and dividing the result by the Initial Price.]</p> <p>If the Final Valuation Price is less than the Strike Price but greater than or equal to the Knock-in Barrier Price, you will receive a cash amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the negative performance of the [Worst Performing] Underlying Asset. The negative performance of an Underlying Asset is calculated by subtracting the Final Valuation Price from the Strike Price and dividing the result by the Initial Price.</p> <p>If, however, the Final Valuation Price is less than the Knock-in Barrier Price, [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[Bull-Bear – American Barrier redemption:</b> If the Final Valuation Price is greater than or equal to the Strike Price, [you will receive a cash</p>
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	<p>amount per Calculation Amount calculated by adding (1) [●] and (2) the Calculation Amount multiplied by the participation percentage (being [●]) multiplied by the performance of the [Worst Performing] Underlying Asset. The performance of an Underlying Asset is calculated by subtracting the Strike Price from the Final Valuation Price and dividing the result by the Initial Price.]</p> <p>[you will receive a cash amount per Calculation Amount calculated by adding (1) the Calculation Amount and (2) the Calculation Amount multiplied by the lower of (a) the participation percentage (being [●]) multiplied by the performance of the [Worst Performing] Underlying Asset and (b) the cap percentage (being [●]). The performance of an Underlying Asset is calculated by subtracting the Strike Price from the Final Valuation Price and dividing the result by Initial Price.]</p> <p>If the Final Valuation Price is less than the Strike Price, the amount you will receive will depend on whether a Trigger Event has occurred. A "<b>Trigger Event</b>" occurs if the [closing price or level][market price or level] of [the][any] Underlying Asset [at any time] on any scheduled trading day from and including [●] to and including [●] is less than its Knock-in Barrier Price.</p> <p>If a Trigger Event has not occurred, you will receive a cash amount per Calculation Amount calculated by adding (1) the Calculation Amount and (2) the Calculation Amount multiplied by the negative performance of the [Worst Performing] Underlying Asset. The negative performance of an Underlying Asset is calculated by subtracting the Final Valuation Price from the Strike Price and dividing the result by the Initial Price.</p> <p>If a Trigger Event has occurred, [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]]</p> <p><b>[Put Spread redemption:</b> If the Final Valuation Price is greater than or equal to either: (1) the Final Barrier; or (2) the Strike Price, you will receive a cash amount per Calculation Amount equal to [●]. If, however, the Final Valuation Price is (a) less than the Strike Price but (b) greater than or equal to the Lower Strike Price: [you will receive a cash amount per Calculation Amount, calculated by dividing the Final Valuation Price by the Strike Price and multiplying the result by the Calculation Amount.]</p> <p>[you will be delivered a fixed number of shares of the [Worst Performing] Underlying Asset per Calculation Amount, calculated by dividing the Calculation Amount by the Strike Price [and multiplying the result by the relevant exchange rate]. If this calculation does not result in a whole number, you will be delivered the nearest whole number of shares of the [Worst Performing] Underlying Asset (determined by rounding down the result) and will be paid a cash amount representing the remaining fractional amount.]</p> <p>Otherwise, if the Final Valuation Price is less than the Lower Strike Price, you will receive a cash amount per Calculation Amount, calculated by multiplying the Lower Strike Price Percentage (being [●]</p>
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		[%) by the Calculation Amount.]
<b>C.16</b>	<b>Expiration or maturity date of the Securities</b>	<p>The Securities are scheduled to redeem on the scheduled redemption date. This day may be postponed following the postponement of a valuation date due to a disruption event.</p> <p>The scheduled redemption date of the Securities is [●].</p>
<b>C.17</b>	<b>Settlement procedure of the derivative securities</b>	<p>[Securities may be cleared and settled through Euroclear Bank S.A./N.V., Clearstream Banking société anonyme, CREST, Euroclear France, S.A., VP Securities, A/S, Euroclear Finland Oy, Norwegian Central Securities Depository, Euroclear Sweden AB or SIX SIS Ltd.]</p> <p>The Securities will be cleared and settled through [Euroclear Bank S.A./N.V.] [Clearstream Banking société anonyme] [CREST] [Euroclear France S.A.] [VP Securities A/S] [Euroclear Finland Oy] [Norwegian Central Securities Depository] [Euroclear Sweden AB] [SIX SIS Ltd.] [●].</p> <p>[Interests in the Securities will be constituted through the issuance of CDIs, issued, held, settled and transferred through CREST, representing interests in the Securities underlying the CDIs. CDIs are independent securities under English law and will be issued by [●]. Holders of CDIs will not be entitled to deal in the Securities directly and all dealings in the Securities must be effected through CREST in relation to the holding of CDIs.]</p>
<b>C.18</b>	<b>Description of how the return on derivative securities takes place</b>	<p>The return on, and value of, the Securities will be linked to the performance of the Underlying Asset[s].</p> <p>Payments of interest will [not] depend on the performance of [the][each] Underlying Asset[s] during the life of the Securities. [[A failure of the price of [each] Underlying Asset to rise above a specified level][A fall in the price of [the][any] Underlying Asset below a specified level] on any [Interest Valuation Date][Observation Date][day in an Interest Observation Period] [will][may] reduce the amount of interest payable on the Securities.] [A decrease in the price of [the][any] Underlying Asset below the Lower Barrier [or an increase in the price of [the][any] Underlying Asset above the Upper Barrier] will reduce the amount of interest payable.]</p> <p>[The value of, and return on (if any), the Securities will depend on the performance of [the][each] Underlying Asset[s] on each [Autocall Valuation Date][and][the Final Valuation Date]. If no Automatic Redemption (Autocall) Event has occurred on an Autocall Valuation Date and [the][any] Underlying Asset perform[s] negatively over [and during] the life of the Securities, a holder may sustain a loss of part or all of the amount invested in the Securities.]</p>
<b>C.19</b>	<b>Final reference price of the underlying</b>	<p>[The final reference level of any equity index, or final reference price of any share, depository receipt or fund to which Securities are linked, will be determined by reference to a publicly available source on a specified date or dates.]</p> <p>The final valuation price of [the] [each] Underlying Asset is [the closing price or level of [the] [such] Underlying Asset on [●]][the [arithmetic average][maximum][minimum] of the closing price or level of [the] [such] Underlying Asset on each of [●]], as determined by the Determination Agent.</p>
<b>C.20</b>	<b>Type of underlying</b>	<p>[Securities may be linked to one or more: common shares; depository receipts representing common shares; exchange traded funds (ETFs) (being a fund, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement and holding assets,</p>

		<p>such as shares, bonds, indices, commodities, and/or other securities such as financial derivative instruments); or equity indices.]</p> <p>The Underlying Asset[s] for the Securities [is][are]:[●] [the S&amp;P 500<sup>®</sup> Index] [the EURO STOXX 50<sup>®</sup> Index] [the FTSE<sup>™</sup> 100 Index]</p> <p>Information about the Underlying Asset[s] is available at:[ ● ]  <a href="http://eu.spindices.com/indices/equity/sp-500">[http://eu.spindices.com/indices/equity/sp-500]</a> <a href="http://www.stoxx.com">[http://www.stoxx.com]</a>  <a href="http://www.ftse.com">[http://www.ftse.com]</a></p>
<b>Section D – Risks</b>		
<p><b>D.2</b></p>	<p><b>Key information on the key risks that are specific to the Issuer</b></p>	<p><b>Business conditions and the general economy:</b> Weak or deteriorating economic conditions or political instability in one or a number of countries in any of the Bank Group's main business markets or any other globally significant economy could have a material adverse effect on the Bank Group's operations, financial condition and prospects.</p> <p><b>Credit risk:</b> The Issuer is exposed to the risk of suffering loss if any of its customers, clients or market counterparties fails to fulfil its contractual obligations. Credit risk and, consequently, the Bank Group's performance may also be adversely affected by the impact of deteriorating economic conditions (and their effects, including higher interest rates, falling property prices and potential instability or economic uncertainty) and risks relating to sovereign debt crises, Eurozone exit or a slowing or withdrawing of monetary stimulus. If some or all of these conditions arise, persist or worsen, they may have a material adverse effect on the Bank Group's operations, financial condition and prospects. In addition, the Issuer holds a significant portfolio of assets which (i) remain illiquid, (ii) are valued based on assumptions, judgements and estimates which may change over time and (iii) which are subject to further deterioration and write downs.</p> <p><b>Market risk:</b> The Issuer is at risk from its earnings or capital being reduced due to changes in the level or volatility of positions in its trading books and being unable to hedge its banking book balance sheet at market levels. These risks could lead to significantly lower revenues, which could have an adverse impact on the Bank Group's operations, financial condition and prospects.</p> <p><b>Funding risk:</b> The Bank Group is exposed to the risk that it may not be able to achieve its business plans due to: an inability to maintain appropriate capital ratios; or inability to meet its obligations as they fall due; or adverse changes in interest rates impacting structural hedges and/or the impact of changes in foreign exchange rates on capital ratios. These risks could have an adverse impact on the Bank Group's operations, financial condition and prospects.</p> <p><b>Legal, competition and regulatory risk:</b> The Bank Group is subject to extensive and comprehensive regulation under the laws of the various jurisdictions in which it does business. The Bank Group has also, in recent years, faced a risk of increased level of legal proceedings in these jurisdictions, in particular, the U.S. The Bank Group also faces existing regulatory and other investigations in various jurisdictions.</p> <p>The Bank Group may incur significant additional expense in connection with existing and potential future legal and regulatory proceedings including for non-compliance by the Bank Group with applicable laws, regulations and codes. This could expose the Bank Group to: substantial monetary damages; loss of significant assets; other penalties and injunctive relief; potential for criminal prosecution in certain circumstances; potential regulatory restrictions on the Bank Group's business; and/or have a negative effect on the Bank Group's reputation,</p>

		<p>any of which could have an adverse impact on the Bank Group's operations, financial condition and prospects.</p> <p><b>Regulatory risks:</b> The regulatory environment in which the Bank Group operates is subject to significant levels of change. There is a risk that such changes to the regulatory environment may adversely affect the Bank Group's business, capital and risk management planning and/or may result in the Bank Group increasing capital, reducing leverage, deciding to modify its legal entity structure, deciding to change how and where capital and funding is deployed within the Bank Group, require the Bank Group to increase its loss-absorbing capacity and/or undertake potential modifications to Barclays' business mix and model (including potential exit of certain business activities). In addition, the risk of such regulatory change will continue to require senior management attention and consume significant levels of business resources.</p> <p>The Bank Group faces significant regulatory scrutiny (for example in relation to systems and controls) in many of the jurisdictions in which it operates, particularly in the United Kingdom and the US. Non-compliance with the applicable laws, regulations or codes could lead to fines, public reprimands, damage to reputation, increased prudential requirements, changes to the Bank Group's structure and/or strategy, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate, as well as costs relating to investigations and remediation of affected customers.</p> <p><b>Conduct and Reputation risks:</b> The Bank Group is exposed to the risk of inappropriate execution of its business activities or failures in corporate governance or management (for example, if Barclays were to provide funding or services to clients without fully implementing anti-money laundering, anti-bribery or similar controls), or the perception thereof, may cause detriment to customers, clients or counterparties and may lead to reputational damage and reduce the attractiveness of the Bank Group to stakeholders. This may, in turn, lead to negative publicity, loss of revenue, litigation, higher scrutiny and/or intervention from regulators, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting and retaining talent. Sustained conduct and reputational damage could affect the Bank Group's operations, financial condition and prospects.</p> <p><b>Risk relating to United Kingdom bail-in power:</b> The Bank Recovery and Resolution Directive grants supervisory authorities power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution (which could include Securities issued by the Issuer hereunder), and/or to convert certain debt claims into another security, including ordinary shares. Under the Banking Act 2009 of the United Kingdom as amended, the bail-in option is introduced to enable the United Kingdom resolution authority to recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors. There remains uncertainty regarding the specific factors which the United Kingdom resolution authority would consider in deciding whether to exercise the United Kingdom bail-in power. Holders of the Securities may have only limited rights to challenge any decision of the United Kingdom resolution authority exercising its United Kingdom bail-in power.</p>
<p><b>D.6</b></p>	<p><b>Key information on the key risks that are specific to the Securities; and risk warning that</b></p>	<p><b>You may lose some or all of your investment.</b></p> <p><b>The terms of the Securities do not provide for scheduled minimum payment of the face value or issue price of the Securities at maturity; depending on the performance of the Underlying Asset(s)], you may lose some or all of your investment.</b></p>

<p><b>investors may lose some or all of the value of their investment</b></p>	<p><b>The payment of any amount or delivery of any property due under the Securities is dependent upon the Issuer's ability to fulfil its obligations when they fall due. The Securities are unsecured obligations. They are not deposits and they are not protected under the UK's Financial Services Compensation Scheme or any other deposit protection insurance scheme. Therefore, if the Issuer fails or is otherwise unable to meet its payment or delivery obligations under the Securities, you will lose some or all of your investment.</b></p> <p>You will lose up to the entire value of your investment if the Issuer fails or is otherwise unable to meet its payment obligations.</p> <p>You may also lose some or all of your entire investment if:</p> <ul style="list-style-type: none"> <li>• you sell your Securities prior to maturity in the secondary market (if any) at an amount that is less than the initial purchase price;</li> <li>• the Securities are redeemed early following the occurrence of an extraordinary event in relation to the Underlying Asset(s), the Issuer, the Issuer's hedging arrangement, the relevant currencies or taxation (such as following an additional disruption event) and the amount you receive on such redemption is less than the initial purchase price; and/or</li> <li>• the terms and conditions of the Securities are adjusted (in accordance with the terms and conditions of the Securities) with the result that the redemption amount payable to you and/or the value of the Securities is reduced.</li> </ul> <p><b>Return linked to performance of Underlying Asset[s]:</b> The return payable on the Securities is linked to the change in value of the Underlying Asset[s] over the life of the Securities. Any information about the past performance of any Underlying Asset should not be taken as an indication of how prices will change in the future. You will not have any rights of ownership, including, without limitation, any voting rights or rights to receive dividends, in respect of any Underlying Asset.</p> <p><b>[Risk of withdrawal of the public offering:</b> In case of a public offer, the Issuer may provide in the Final Terms that it is a condition of the offer that the Issuer may withdraw the offer for reasons beyond its control, such as extraordinary events that in the determination of the Issuer may be prejudicial to the offer. In such circumstances, the offer will be deemed to be null and void. In such case, where you have already paid or delivered subscription monies for the relevant Securities, you will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.]</p> <p><b>Reinvestment risk/loss of yield:</b> Following an early redemption of the Securities for any reason, you may be unable to reinvest the redemption proceeds at a rate of return as high as the return on the Securities being redeemed. You should consider such reinvestment risk in light of other available opportunities before you purchase the Securities.</p> <p><b>[Physical delivery instead of cash payment:</b> In certain circumstances the Issuer may redeem the Securities by delivering [shares][depository receipts][shares in the ETF] which will leave you exposed to the issuer of such delivered assets. You may not be able to sell such delivered assets for a specific price and the delivered assets may have a very low value or may in fact be worthless. You may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such assets. Settlement is subject to</p>
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		<p>satisfaction of all conditions to settlement by the holder.]</p> <p><b>[Shares:</b> The performance of shares is dependent upon numerous economic factors, such as interest and price levels in capital markets, currency developments, political factors as well as company-specific factors such as earnings, market position, risk situation, shareholder structure and distribution policy. Any relevant share issuer may take actions without regard to the interests of any holders of the Securities, which could have a negative effect on the value of the Securities.]</p> <p><b>[American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"):</b> Where you purchase Securities linked to ADRs or GDRs, you may receive a lower payment than you would have received if you had invested in the underlying shares directly (for example, because the holder of the relevant ADR or GDR may not receive any dividends paid on the underlying shares). The legal owner of the shares underlying the relevant ADRs or GDRs is a custodian bank and, in the event that the custodian bank becomes insolvent, it is possible that a purchaser of any such ADR or GDR may lose its rights in respect of the underlying shares. This could have an adverse effect on the value of the Securities.]</p> <p><b>[Equity Index risks:</b> Securities linked to the performance of equity indices provide investment diversification opportunities, but will be subject to the risk of fluctuations in both equity prices and the value and volatility of the relevant equity index. Securities linked to equity indices may not participate in dividends or any other distributions paid on the shares which make up such indices, accordingly, you may receive a lower return on the Securities than you would have received if you had invested directly in those shares.</p> <p>The relevant index sponsor can add, delete or substitute the components of an equity index at its discretion, and may also alter the methodology used to calculate the level of such index. These events may have a detrimental impact on the level of that index, which in turn could have a negative impact on the value of and return on the Securities.]</p> <p><b>[Exchange Traded Funds ("ETFs"):</b> Where you purchase Securities that are linked to any ETF, you may receive a lower payment upon redemption of your Securities than you would have received if you had invested directly in the share or index which is 'tracked' or invested in by the relevant ETF.</p> <p>The management company, trustee or sponsor of an ETF will have no involvement in the offer and sale of the Securities and could take actions which have a negative effect on the value of the Securities.]</p> <p><b>[Substitution:</b> Where any [Share][ADR][GDR][unit in the ETF] is affected by certain disruption events, the Issuer may substitute such asset with a substitute [Share][ADR][GDR][unit in the ETF] similar to the original asset. The subsequent performance or perceived value of this substitute asset may cause the value of the Securities to drop and/or may result in holders receiving less than expected on settlement.]</p> <p><b>[Averaging:</b> The amount payable or property deliverable on your Securities will be calculated based on an [initial price] [and] [final price] which is the arithmetic average of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified averaging dates, rather than on one initial valuation date or final valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically changes on one or more of the averaging dates, the amount payable or property deliverable on your Securities may be significantly less than it would have been if the amount payable or</p>
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	<p>property deliverable had been calculated by reference to a single value taken on an initial valuation date or final valuation date.]</p> <p><b>[Capped return:</b> As the redemption amount is subject to a cap, the return holders may receive is limited.]</p> <p><b>[Leverage:</b> The Securities have a disproportionate exposure to the performance of the Underlying Asset. Due to this leverage effect the Securities may represent a very speculative and risky form of investment, since any loss in the value of and return on the Underlying Asset carries the risk of a disproportionately higher loss in the value of and return on the Securities.]</p> <p><b>[Worst-of:</b> You are exposed to the performance of every Underlying Asset. Irrespective of how the other Underlying Assets perform, <i>if any one or more</i> Underlying Assets fail to meet a relevant threshold or barrier for the payment of interest or the calculation of any redemption amount, you might receive no interest payments and/or could lose some or all of your initial investment.]</p> <p><b>Volatile market prices:</b> The market value of the Securities is unpredictable and may be highly volatile, as it can be affected by many unpredictable factors, including: market interest and yield rates; fluctuations in currency exchange rates; exchange controls; the time remaining until the Securities mature; economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions; changes in laws or regulations; and the Issuer's creditworthiness or perceived creditworthiness.</p> <p><b>[Memory interest:</b> the interest amount is conditional on the performance of the Underlying Asset(s) and may be zero where the performance criteria are not met. In such case the interest amount may be deferred to the next interest payment that is made, but you will not be paid any amount to compensate for such deferral and it is possible that you will not receive any interest at all over the lifetime of the Securities.]</p> <p><b>[Range accrual interest:</b> the interest amount is only paid if the performance of the Underlying Asset(s) is within a specified range. It is possible that the performance criteria will not be met and you will not receive any interest at all over the lifetime of the Securities.]</p> <p><b>[Min Lookback-Out feature:</b> The return on your Securities will depend on the lowest of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the lookback-out dates, which means that if the level, price or value falls dramatically on one of those dates, your return may be significantly less than if this lookback feature did not apply.]</p> <p><b>[Min Lookback-In feature:</b> The return on your Securities will [also] depend on the lowest of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the lookback-in dates, which means that if the level, price or value falls dramatically on one of those dates, your return may be significantly less than if this lookback feature did not apply.]</p> <p><b>[Max Lookback-Out feature:</b> The return on your Securities will [also] depend on the highest of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the lookback-out dates, which means that if the level, price or value surges dramatically on one of those dates, your return may be significantly less than if this lookback feature did not apply.]</p> <p><b>[Max Lookback-In feature:</b> The return on your Securities will [also] depend on the lowest of the applicable levels, prices or other applicable</p>
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		values of the Underlying Asset(s) on the lookback-in dates, which means that if the level, price or value surges dramatically on one of those dates, your return may be significantly less than if this lookback feature did not apply.]
<b>Section E – Offer</b>		
<b>E.2b</b>	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	<p>The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes, which include making a profit and/or hedging certain risks. If the Issuer elects at the time of issuance of Securities to make different or more specific use of proceeds, the Issuer will describe that use in the Final Terms.</p> <p>[Not Applicable: the net proceeds will be applied by the Issuer for making profit and/or hedging certain risks.]</p> <p>[Reasons for the offer and use of Proceeds: [●]]</p>
<b>E.3</b>	<b>Description of the terms and conditions of the offer</b>	<p>[The terms and conditions of any offer of Securities to the public may be determined by agreement between the Issuer and [●] (the "Manager[s]") at the time of each issue.]</p> <p>[Not Applicable: the Securities have not been offered to the public.]</p> <p>[The Securities are offered subject to the following conditions:</p> <p><b>Offer Price:</b> [The Issue Price][[●]]% of the Issue Price][●]</p> <p><b>Conditions to which the offer is subject:</b> [●]</p> <p><b>Description of the application process:</b> [●]</p> <p><b>Details of the minimum and/or maximum amount of application:</b> [●]</p> <p><b>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b> [●]</p> <p><b>Details of the method and time limits for paying up and delivering the Securities:</b> [The period from [●] until [●]] [the Issue Date] [the date which falls [●] business days thereafter]</p> <p><b>Manner in and date on which results of the offer are to be made public:</b> [●]</p> <p><b>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</b> [●]</p> <p><b>Categories of holders to which the Securities are offered and whether Tranche(s) have been reserved for certain countries:</b> [●]</p> <p><b>Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:</b> [● ]</p> <p><b>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</b> [the [initial] Authorised Offeror[(s)]] [None] [●]]</p>

<p><b>E.4</b></p>	<p><b>Description of any interest material to the issue/offer, including conflicting interests</b></p>	<p>[The relevant Manager(s) or Authorised Offeror(s) may be paid fees in relation to any issue or offer of Securities. Potential conflicts of interest may exist between the Issuer, Determination Agent, relevant Manager(s) or Authorised Offeror(s) or their affiliates (who may have interests in transactions in derivatives related to the Underlying Asset(s) which may, but are not intended to, adversely affect the market price, liquidity or value of the Securities) and holders.]</p> <p>[The [Manager(s)][initial Authorised Offeror[(s)]] will be paid aggregate commissions equal to [●]% of the aggregate nominal amount of the Securities.] [Any [Manager(s)][Initial Authorised Offeror[(s)]] and its affiliates may be engaged, and may in the future engage, in hedging transactions with respect to the [Underlying Asset[s]].]</p> <p>[Not Applicable: no person involved in the issue or offer has any interest, or conflicting interest, that is material to the issue or offer of Securities.]</p>
<p><b>E.7</b></p>	<p><b>Estimated expenses charged to investor by issuer/offeror</b></p>	<p>[The Issuer will not charge any expenses to holders in connection with any issue of Securities.] [Offerors may, however, charge expenses to holders. Such expenses (if any) will be determined by agreement between the offeror and the holders at the time of each issue.]</p> <p>[Not Applicable: [no expenses will be charged to the holder by the issuer or the offeror[s]].][the Securities have not been offered to the public.]]</p> <p>[The following estimated expenses will be charged to the holder by the offeror[s]: [●] [fees within a range between [●] and [●]] (which, for [●] invested, amounts to [●]).]</p>



**RISK FACTORS**

*You should only invest in the Securities after assessing these principal risks, including any risks applicable to the relevant Underlying Asset(s). The risks described in this section can be cumulative and apply simultaneously which may unpredictably affect the Securities. Specifically, no assurance can be given as to the effect that any combination of risk factors may have on the value of and return on the Securities. The effect of any one factor may be offset or magnified by the effect of another factor. The risks below are not exhaustive and there may be additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial but that could have a material impact on the business, operations, financial condition or prospects of the Issuer or the value of and return on the Securities.*

***You should consider carefully the following discussion of risks to help you decide whether or not the Securities are suitable for you.***

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**RISK WARNING**

**There are a number of circumstances in which you may lose some or all of your investment in the Securities.**

**The terms of the Securities do not provide for scheduled minimum payment of the face value or issue price of the Securities at maturity: depending on the performance of the Underlying Asset(s), you may lose some or all of your investment.**

**The payment of any amount or delivery of any property due under the Securities is dependent upon the Issuer's ability to fulfil its obligations when they fall due. The Securities are unsecured obligations. They are not deposits and they are not protected under the UK's Financial Services Compensation Scheme or any other deposit protection insurance scheme. Therefore, if the Issuer fails or is otherwise unable to meet its payment or delivery obligations under the Securities, you will lose some or all of your investment.**

**You may also lose some or all of your investment in the following circumstances:**

- The market price of your Securities prior to maturity may be significantly lower than the purchase price you paid for them. Consequently, if you sell your Securities before their scheduled maturity, you may receive far less than your original invested amount.
- Your Securities may be redeemed in certain extraordinary circumstances prior to their scheduled maturity and, in such case, the early redemption amount paid to you may be less than what you paid for the Securities.
- The terms and conditions of your Securities may be adjusted by the Issuer or Determination Agent in certain circumstances with the effect that the amount payable or property deliverable to you is less than your initial investment.

**FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES**

**1. Risks associated with the Issuer's ability to fulfil its obligations under the Securities and status of the Securities**

The Issuer is a major, global financial services company and, as such, faces a variety of risks that are substantial and inherent in its businesses, and which may affect its ability to fulfil its payment, delivery or other obligations under the relevant Securities as they fall due. These risks include liquidity risk, market risk, credit risk, operational risk, reputational risk, legal, regulatory and compliance risks, litigation and other contingent liabilities, competition risks, the financial condition of clients, customers and counterparties, adverse economic, monetary, political or legal developments, cross-border and foreign exchange risk, catastrophic events, risks from estimates and valuations and risks relating to strategy.

The Securities are direct, unsecured and unsubordinated obligations of the Issuer and will rank equally among themselves. The Securities are unsecured obligations, are not deposits and are not protected under the UK's Financial Services Compensation Scheme or any other deposit protection insurance scheme. You are therefore exposed to the creditworthiness of the Issuer and any deterioration in the Issuer's creditworthiness or perceived creditworthiness (whether measured by actual or anticipated changes in the credit ratings of the Issuer) may adversely affect the value of the Securities.

These risks are described in the section '*Risk Factors*' in the Registration Document incorporated by reference into this document – see '*Information Incorporated by Reference*'.

**2. Regulatory bank resolution framework**

The Banking Act provides for a regime to allow the Bank of England (or, in certain circumstances, HM Treasury) to resolve failing banks in the U.K. – see '*Regulatory action in the*

event a bank or investment firm in the Group (such as the Issuer) is failing or likely to fail could materially adversely affect the value of the Securities.

3. **Regulatory action in the event a bank or investment firm in the Group (such as the Issuer) is failing or likely to fail could materially adversely affect the value of the Securities**

*This risk factor provides an overview of current risks and consequences associated with the power of regulatory agencies in the UK to take action to save failing institutions.*

The term "**Group**" means Barclays PLC together with its subsidiaries. The Bank Recovery and Resolution Directive ("**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and investment firms, their subsidiaries and certain holding companies. The BRRD requires all EEA member states to provide their relevant resolution authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the broader economy and financial system.

In the United Kingdom, the majority of the requirements of the BRRD have been implemented into national law in the Banking Act. The UK implementation of the BRRD included the introduction of the bail-in tool as of 1 January 2015. The PRA has also published rules which include a requirement for the terms of debt instruments which are issued on or after 19 February 2015, and are not governed by the law of an EEA jurisdiction (including the Swiss Securities), to contain a contractual clause whereby holders of debt instruments recognise the applicability of the bail-in powers to their debt instruments. For more information on the bail-in tool and on the related contractual recognition, see *'The Relevant UK Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in you losing some or all of your investment'* and *'Under the terms of the Swiss Securities, you have agreed to be bound by the exercise of any UK Bail-In Power by the Relevant UK Resolution Authority'*. The UK has deferred the implementation of minimum requirement for own funds and eligible liabilities ("**MREL**") regime, pending, among other things further developments via the Financial Stability Board ("**FSB**") for harmonising key principles for Total Loss-Absorbing Capacity ("**TLAC**") globally. See *'Minimum requirement for own funds and eligible liabilities'* below.

*The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks or investment firms and certain of their Affiliates in the event a bank in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of the Securities*

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate as part of a special resolution regime (the "**SRR**"). These powers enable the Relevant UK Resolution Authority to implement resolution measures with respect to a UK bank (such as the Issuer) and certain of its Affiliates (including, for example, Barclays PLC) (each a relevant entity) in circumstances in which the Relevant UK Resolution Authority is satisfied that the resolution conditions are met. The stabilisation options available to the Relevant UK Resolution Authority under the SRR provide for:

- (a) private sector transfer of all or part of the business of the relevant entity;
- (b) transfer of all or part of the business of the relevant entity to a 'bridge bank' established by the Bank of England;
- (c) transfer to an asset management vehicle;
- (d) the bail-in tool; and
- (e) temporary public ownership (nationalisation) of the relevant entity.

Each of these stabilisation options is achieved through the exercise of one or more 'stabilisation powers', which include (i) the power to make share transfer orders pursuant to which all or some of the securities issued by a relevant entity may be transferred to a commercial purchaser, a bridge

bank or, in the case of certain relevant entities, the UK government; (ii) the resolution instrument power which includes the exercise of the bail-in tool; (iii) the power to transfer all or some of the property, rights and liabilities of a relevant entity to a commercial purchaser or Bank of England entity; and (iv) the third country instrument powers that recognise the effect of similar special resolution action taken under the law of a country outside the EEA (a third country). A share transfer order can extend to a wide range of securities, including shares and bonds issued by a relevant entity and warrants for such shares and bonds and could, therefore, apply to the Securities. In addition, the Banking Act grants powers to modify contractual arrangements in certain circumstances, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the Relevant UK Resolution Authority to disapply or modify laws in the UK (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of the Securities and could lead to you losing some or all of the value of your investment in the Securities.

*The SRR is designed to be triggered prior to insolvency of the Issuer and you may not be able to anticipate the exercise of any resolution power by the Relevant UK Resolution Authority*

The stabilisation options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may be exercised if: the Relevant UK Resolution Authority: (i) is satisfied that a UK bank or investment firm (such as the Issuer) is failing, or is likely to fail; (ii) determines that it is not reasonably likely that (ignoring the stabilisation powers) action will be taken by or in respect of a UK bank or investment firm that will result in condition (i) above ceasing to be met; (iii) considers that the exercise of the stabilisation powers to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors, being some of the special resolution objectives) and (iv) considers that the special resolution objectives would not be met to the same extent by the winding-up of the UK bank or investment firm. In the event that the Relevant UK Resolution Authority seeks to exercise its powers in relation to a UK banking group company (such as the Issuer), the Relevant UK Resolution Authority has to be satisfied that (A) the conditions set out in (i) to (iv) above are met in respect of a UK bank or investment firm in the same banking group (or, in respect of an EEA or third country credit institution or investment firm in the same banking group, the relevant EEA or third country resolution authority is satisfied that the conditions for resolution applicable in its jurisdiction are met) and (B) certain criteria are met, such as the exercise of the powers in relation to such UK banking group company being necessary having regard to public interest considerations. The use of different stabilisation powers is also subject to further 'specific conditions' that vary according to the relevant stabilisation power being used.

On 26 May 2015, the EBA published its final guidelines on the circumstances in which an institution shall be deemed as 'failing or likely to fail' by supervisors and resolution authorities. These will apply from 1 January 2016. The guidelines set out the objective elements and criteria which should apply when supervisors and resolution authorities make such a determination and further provide guidance on the approach to consultation and exchange of information between supervisors and resolution authorities in such scenarios.

Although the Banking Act provides for the above described conditions to the exercise of any resolution powers and the EBA guidelines mentioned above set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the Relevant UK Resolution Authority would assess such conditions in any particular pre-insolvency scenarios affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power. The Relevant UK Resolution Authority is also not required to provide any advance notice to Holders of its decision to exercise any resolution power. Therefore, you may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Securities.

*You may have only very limited rights to challenge the exercise of any resolution powers by the Relevant UK Resolution Authority*

You may have only very limited rights to challenge and/or seek a suspension of any decision of the Relevant UK Resolution Authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

*The Relevant UK Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in you losing some or all of your investment*

The Relevant UK Resolution Authority may exercise the bail-in tool to enable it to recapitalise an institution in resolution by allocating losses to its shareholders and unsecured creditors (which include Holders of the Securities) in a manner that (i) ought to respect the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the 'no creditor worse off' safeguard). Certain liabilities are excluded from the scope of the bail-in tool, such as liabilities to the extent they are secured. The Banking Act also grants the power for the Relevant UK Resolution Authority to exclude any liability or class of liabilities on certain prescribed grounds (including financial stability grounds) and subject to specified conditions.

The bail-in tool includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another. The exercise of such powers may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Securities and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Securities, in each case, to give effect to the exercise by the Relevant UK Resolution Authority of such power.

Where the relevant statutory conditions for intervention under the SRR and the use of the bail-in tool have been met, the Relevant UK Resolution Authority would be expected to exercise these powers without the further consent of the Holders of the Securities.

The exercise of any resolution power, including the power to exercise the bail-in tool in respect of the Issuer and the Securities or any suggestion of any such exercise could materially adversely affect the rights of the Holders of the Securities, the price or value of their investment in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities and could lead to Holders losing some or all of the value of their investment in such Securities. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Holders in the resolution and there can be no assurance that Holders would recover such compensation promptly.

*As insured deposits are excluded from the scope of the bail-in tool and other preferred deposits (and insured deposits) rank ahead of any Securities issued by the Issuer, such Securities would be more likely to be bailed-in than certain other unsecured liabilities of the Issuer (such as other preferred deposits)*

As part of the reforms required by the BRRD, amendments have been made to relevant legislation in the UK (including the UK Insolvency Act 1986) to establish in the insolvency hierarchy a statutory preference (i) firstly, for deposits that are insured under the Financial Services Compensation Scheme (insured deposits) to rank with existing preferred claims as 'ordinary' preferred claims and (ii) secondly, for all other deposits of individuals and micro, small and medium sized enterprises held in EEA or non-EEA branches of an EEA bank (other preferred deposits), to rank as 'secondary' preferred claims only after the 'ordinary' preferred claims. In addition, the EU Deposit Guarantee Scheme Directive, which is to be implemented into national law by July 2015, will increase the nature and quantum of insured deposits to include a wide range of deposits, including corporate deposits (unless the depositor is a public sector body or

financial institution) and some temporary high value deposits. The effect of these changes is to increase the size of the class of preferred creditors. All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of the Issuer, including the Holders. Furthermore, insured deposits are excluded from the scope of the bail-in tool. As a result, if the bail-in tool were exercised by the Relevant UK Resolution Authority, the Securities would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer such as other preferred deposits.

*Minimum requirement for own funds and eligible liabilities*

To support the effectiveness of bail-in and other resolution tools, the BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Items eligible for inclusion in MREL will include an institution's own funds, along with 'eligible liabilities'. The UK has opted to defer until 1 January 2016 the implementation of the MREL regime.

The European Banking Authority (the "EBA") and the European Commission are required to develop the criteria for determining the MREL, the calculation methodologies and related measures. Although the EBA has consulted on certain proposals, which are in draft form and subject to change, the precise impact of the MREL requirements on individual firms will remain a matter of some uncertainty until the final measures are adopted. It is also unclear whether the proposals published in November 2014 by the FSB for a new international standard on TLAC for globally systemically important banks ("G-SIBs") (including Barclays, based on the latest FSB list of G-SIBs published in November 2014) will affect the way in which the authorities implement the MREL regime.

While these measures remain in development, it is not possible to determine the ultimate scope and nature of any resulting obligations for the Issuer or the Group, nor the impact that they will have on the Issuer or the Group once implemented. If the FSB's and EBA's proposals are implemented in their current form, however, it is possible that the Issuer and/or other members of the Group may have to issue MREL eligible liabilities in order to meet the new requirements within the required timeframes and/or alter the quantity and type of internal capital and funding arrangements within the Group. During periods of market dislocation, or when there is significant competition for the type of funding that the Group needs, a requirement to increase the Group's MREL eligible liabilities in order to meet MREL targets may prove more difficult and/or costly. More generally, these proposals could increase the Group's costs and may lead to asset sales and/or other balance sheet reductions. The effects of these proposals could all adversely impact the results of operations, financial condition and prospects of the Group and, in turn, adversely affect the value of the Securities.

*Under the terms of the Swiss Securities, you have agreed to be bound by the exercise of any UK Bail-In Power by the Relevant UK Resolution Authority*

To ensure that the consequences of the UK Bail-In Power apply to Securities governed by the law of a country outside of the EEA, and in accordance with the PRA rules made pursuant to the BRRD and the Banking Act, the terms of the Swiss Securities include a contractual recognition of the exercise of the UK Bail-In Power by the Relevant UK Resolution Authority. By your acquisition of the Swiss Securities, you acknowledge, agree to be bound by, and consent to the exercise of, any UK Bail-In Power by the Relevant UK Resolution Authority that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the Swiss Securities and/or the conversion of all or a portion of the principal amount of, or interest on, the Swiss Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Swiss Securities, in each case, to give effect to the exercise by the Relevant UK Resolution Authority of such power. You further acknowledge and agree that the your rights are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any UK power by the Relevant UK Resolution Authority. Accordingly, any UK Bail-In Power may be exercised in such a manner as to result in you and other Holders losing all or a part of the value of your investment in the Swiss Securities or receiving a different security from the Swiss Securities, which may be worth significantly less than the Swiss Securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Relevant UK Resolution Authority may exercise the UK Bail-In Power without

providing any advance notice to, or requiring the consent of, the Holders of the Swiss Securities. In addition, under the terms of the Swiss Securities, the exercise of the UK Bail-In Power by the Relevant UK Resolution Authority with respect to the Swiss Securities is not an Event of Default (as defined in the General Conditions). For more information, see General Condition 3 (*Contractual acknowledgement of bail-in in respect of Swiss Securities*). See also '*Regulatory action in the event the Issuer is failing or likely to fail could materially adversely affect the value of the Securities*'.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE MARKET RISKS IN RELATION TO THE SECURITIES**

### **4. Risks associated with the valuation of Securities**

#### **4.1 The initial market value of the Securities is likely to be lower, and may be significantly lower, than the issue or initial purchase price of the Securities**

The market value of the Securities is likely to be lower, and may be significantly lower, than the issue price of the Securities. In particular, the difference between the issue price and the initial market value may be a result of:

- (a) where permitted by applicable law, amounts with respect to commissions relating to the issue and sale of the Securities;
- (b) the estimated profit that the Issuer and its subsidiary undertakings (together, the "**Bank Group**" or "**Barclays**") expects to earn in connection with structuring the Securities;
- (c) the estimated cost which Barclays may incur in hedging its obligations under the Securities; and
- (d) development and other costs which Barclays may incur in connection with the Securities.

In relation to (a) above if not already disclosed, information with respect to the amount of any such inducements, commissions and fees may be obtained from the Issuer or distributor upon request.

#### **4.2 The secondary market value of the Securities will likely be lower than the original issue price of the Securities**

Any secondary market prices of the Securities will likely be lower than the original issue price of the Securities because, among other things, secondary market prices (as described in risk factor 4.1 (*The initial market value of the Securities is likely to be lower, and may be significantly lower, than the issue or initial purchase price of the Securities*) above) will likely be reduced by selling commissions, profits and hedging and other costs that are accounted for in the original issue price of the Securities. As a result, the price, if any, at which the Manager or any other person would be willing to buy Securities from you in secondary market transactions, if at all, is likely to be lower than the original issue price. Any sale by you prior to the scheduled redemption date could result in a substantial loss to you. See the immediately following risk factor for information about additional factors that may impact any secondary market prices of the Securities.

#### **4.3 The Securities are designed to be buy-to-hold instruments and the value and quoted price of your Securities (if any) at any time prior to redemption will reflect many factors and cannot be predicted**

Generally, the market value of your Securities will be affected by the volatility, level, value or price of the Underlying Asset(s) at the time, changes in interest rates, the financial condition of the Issuer (whether such changes are actual or perceived) and credit ratings, the supply of and demand for the Securities, the time remaining until the maturity of the Securities and a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor.

The Securities are designed to be buy-to-hold investments. The price, if any, at which you will be able to sell your Securities prior to maturity, may be substantially less than the amount you originally invested. The following paragraphs describe the manner in which the market value of the Securities may be affected in the event of a change in a specific factor, assuming all other conditions remain constant.

- Performance of the Underlying Asset(s). The market value of the Securities prior to maturity or prior to the relevant exercise date or period, as applicable, will likely depend substantially on the current level of the Underlying Asset(s) relative to its initial level, value or price. If you decide to sell your Securities prior to maturity, when the current level, price or value of the Underlying Asset(s) at the time of sale is favourable relative to its initial level, value or price, you may nonetheless receive substantially less than the amount that would be payable at maturity based on that level, value or price because of expectations that the level, value or price will continue to fluctuate until the final level, value or price is determined.

The value of and return on your Securities will depend on the performance of the Underlying Asset(s). The performance of the Underlying Asset(s) may be subject to unpredictable change over time, which may depend on many factors, including financial, political, military or economic events, government actions and the actions of market participants. Any of these events could have a negative effect on the value of the Underlying Asset(s) which in turn could adversely affect the value of and return on your Securities.

See also risk factor 7 (*Risk Factors relating to Securities linked to one or more Underlying Asset*).

- Volatility of the Underlying Asset(s). Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility or the expectation of volatility of the Underlying Asset(s) or its or their components changes, the market value of the Securities may be adversely affected. A higher potential coupon rate or yield may be associated with a higher expected volatility in the Underlying Asset(s) which may also be associated with a greater risk of losing some or all of your investment.
- Interest rates. The market value of the Securities will likely be affected by changes in interest rates. Interest rates also may affect the economy and, in turn, the value of the Underlying Asset(s) (if any) (or its components, if any), which would affect the market value of the Securities.
- Supply and demand for the Securities. In general, if the supply of the Securities increases and/or the demand for the Securities decreases, the market value of the Securities may be adversely affected. The supply of the Securities, and therefore the market value of the Securities, may be affected by inventory positions held by Barclays.
- The Issuer's or the Bank Group's financial condition, credit ratings and results of operations. Actual or anticipated changes in the financial condition of the Issuer or the Bank Group, current credit ratings or results of operations may significantly affect the market value of the Securities. The significant difficulties experienced in the global financial system in recent periods and resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect Barclays' business, financial condition, credit ratings and results of operations. However, because the return on the Securities is dependent upon factors in addition to the Issuer's ability to pay or settle its obligations under the Securities (such as the final level, value or price of the Underlying Asset(s)), an improvement in the Issuer's financial condition, credit ratings or results of operations is not expected to have a positive effect on the proceeds paid under the Securities. These credit ratings relate only to the Issuer's creditworthiness, do not affect or enhance amounts payable under the terms of the Securities and are not indicative of the risks associated with the Securities or an investment in the Underlying Asset(s). A



rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

- Time remaining to maturity. A 'time premium' results from uncertainty concerning the future level, value or price of the Underlying Asset(s) during the period prior to the maturity of the Securities. As the time remaining to the maturity of the Securities decreases, this time premium will likely decrease, potentially adversely affecting the market value of the Securities. As the time remaining to maturity decreases, the market value of the Securities may be less sensitive to the expected volatility in the Underlying Asset(s) – see risk factor 5.2 (*Conditions of a secondary market and pricing implications associated with terminating a buy-to-hold investment early*).
- Events affecting or involving the Underlying Asset(s). Economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of the Underlying Asset(s), and real or anticipated changes in those factors, also may affect the market value of the Securities. For example, for Underlying Asset(s) composed of equity securities, the financial condition and earnings results of the share issuer, and real or anticipated changes in those conditions or results, may affect the market value of the Securities. In addition, speculative trading by third parties in the Underlying Asset(s) could significantly increase or decrease the level, value or price of the Underlying Asset(s), thereby exposing the Underlying Asset(s) to additional volatility which could affect the market value of the Securities.
- Exchange rates. Depending on the terms of the Securities, movements in exchange rates and the volatility of the exchange rates between the currency of denomination of the Securities and the currency of the Underlying Asset(s) (if different) may adversely affect the market value of the Securities.
- Issuer call right. During any period when the Issuer may elect to redeem the Securities, and potentially prior to this period, the market value of the Securities will generally not rise above the price at which they can be redeemed.

The effect of any one or more of the factors specified above may offset the effect of the change in the market value of the Securities attributable to another factor.

These factors may affect the market price of the Securities, including any market price which you receive in any secondary market transaction, and may be: (i) different from the value of the Securities as determined by reference to Barclays' pricing models; and (ii) less than the issue price. As a result, if you sell your Securities prior to scheduled maturity, you may receive back less than your initial investment or even zero.

## 5. Risks associated with the liquidity of Securities and availability during an offer period

### 5.1 Your Securities may not have an active trading market and the Issuer may not be under any obligation to make a market or repurchase the Securities prior to redemption

You must be prepared to hold the Securities until their scheduled maturity.

The Securities 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 you may not be able to find a buyer. Therefore, you may not be able to sell your Securities or, if you can, you may only be able to sell them at a price which is substantially less than the original purchase price.

The Issuer may list the Securities on a stock exchange but, in such case, the fact that such Securities are listed will not necessarily lead to greater liquidity. If Securities are not listed or traded on any exchange, pricing information for such Securities may be more difficult to obtain and they may be more difficult to sell.

The Issuer is under no obligation to make a market or to repurchase the Securities (subject to the next paragraph). The Issuer and any Manager may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any

Securities so purchased may be held or resold or surrendered for cancellation. If any Securities are redeemed in part, then the number of Securities outstanding will decrease. Any of these activities may have an adverse effect on the liquidity and/or price of the outstanding Securities in the secondary market.

Any of the Issuer or a Manager or other party may, as part of its activities as a broker and dealer in fixed income and equity securities and related products or pursuant to stock exchange listing requirements, make a secondary market in relation to any Securities 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 Securities can be purchased or sold at such prices (or at all).

However, any of these parties 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 Securities and you should not assume that such a market will exist.

**5.2 Conditions of a secondary market and pricing implications associated with terminating a buy-to-hold investment early**

Where the Issuer does quote an indicative bid price for the Securities, the Issuer may determine the price in a significantly different manner than other market participants. Any price will depend on an assortment of factors including, but not limited to, (i) the creditworthiness of the Issuer, (ii) the time to maturity or expiry of the Securities, (iii) the then current funding levels of the Issuer taking into account market conditions, including the cost to replace a funding amount represented by the Securities being repurchased for a term equivalent to the time to maturity or expiry, and (iv) the value of the Underlying Asset(s) – see risk factor 4.2 (*The secondary market value of the Securities will likely be lower than the original issue price of the Securities*). For example, without taking into account the value of the Underlying Asset, if the Securities are due to mature in five years' time and a Holder wanted the Issuer to repurchase its holdings in those Securities, the Issuer may, among other matters, calculate what it would cost to replace the funding amount represented by the Holder's repurchase request for the remaining term of the Securities (in this example, five years). The then current market conditions affecting the Issuer's ability to borrow funds for a five year term would influence the level of the secondary market price. The higher the current funding levels for the Issuer as compared to funding levels for a comparable term on the Issue Date, the more likely the secondary market price of the Securities would be negatively affected (without taking into consideration changes to other factors that impact the price). The lower the current funding levels for the Issuer as compared to funding levels for a similar term on the Issue Date, the more likely the secondary market price of the Securities would be positively affected (without taking into consideration changes to other factors that impact the price).

If the Issuer or Manager elects to make a secondary market, it may suspend or terminate such market at any time and impose other conditions and quote prices that may vary substantially from other market participants. For these reasons, you should not assume that a secondary market will exist, and you should be prepared to hold your Securities until their scheduled maturity. Where the Issuer or Manager elects to offer such secondary market, conditions imposed may include, but are not limited to:

- (a) providing a bid/offer spread determined by the Issuer in its commercially reasonable discretion;
- (b) providing the timing that any secondary market quotation will remain open, or in any event, not longer than what the Issuer considers a reasonable time;
- (c) requiring that normal market and funding conditions prevail at such date; and
- (d) limiting the number of Securities in respect of which it is prepared to offer such secondary market.

Any of these conditions may severely limit the availability of any such secondary market and may result in you receiving significantly less than you would otherwise receive by holding the Securities to their scheduled maturity.

### **5.3 Over-issuance**

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Securities than those which are to be initially subscribed or purchased by third party investors. The Issuer (or the Issuer's Affiliates) may hold such Securities for the purpose of meeting any future investor interest or to satisfy market-making requirements. You should therefore not regard the issue size of any Securities as indicative of the depth or liquidity of the market for such Securities, or of the demand for such Securities.

### **5.4 The Issuer may withdraw the public offer at any time**

In the case of public offers, the Issuer may provide that it is a condition to the offer that the Issuer reserves the right to withdraw the offer in whole or in part at any time at the discretion of the Issuer, including for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or other relevant events that in the determination of the Issuer may be prejudicial to the offer. In such circumstances, the offer will be deemed to be null and void. In such case, where you have already paid or delivered subscription monies for the relevant Securities, you will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.

### **5.5 Securities listed on the regulated market of Borsa Italiana**

In respect of Securities listed on the regulated market of Borsa Italiana, the Issuer (or an entity on behalf of the Issuer) will, for so long as the listing rules of such regulated market so require, display continuous 'bid' and 'offer' prices for such Securities, in accordance with such listing rules.

## **6. Risks associated with certain features in relation to the calculation of the interest or principal amount or the delivery of entitlements under the Securities**

### **6.1 There are risks relating to floating rates of interest**

The performance of floating interest rates is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors. This means that the interest amount payable over the term of the Securities may vary and any of these factors could affect the performance of the floating interest rate and therefore could adversely affect the value and return on your Securities.

#### **(a) Determination of a floating rate following a floating rate disruption**

If, on any day on which a valuation or determination in respect of a reference rate is to be made, the relevant reference rate is not available, the Determination Agent shall determine the floating rate using one of a pre-determined set of methodologies to determine a substitute rate, which will vary depending on the designated maturity of the relevant reference rate and whether the reference rate is EONIA. See General Condition 7.2 (*Floating*).

There is a risk that the determination of the floating rate using any of these methodologies may result in a lower interest amount payable to you than the use of other methodologies.

#### **(b) Reference rate discontinuance**

If the calculation and publication of the relevant reference rate is permanently discontinued, the Determination Agent shall determine the floating rate using alternative arrangements which will vary depending on the reference rate. See General Condition 7.2 (*Floating*).

Despite these alternative arrangements, the discontinuance of the relevant reference rate may adversely affect the market value of the Securities.

**(c) Bank of England Base Rate fallbacks**

If on the interest determination date the Reuters screen page UKBASE is not available, the floating rate for the relevant interest payment date shall be determined by reference to a replacement page as selected by the Determination Agent.

If the Determination Agent determines that no suitable replacement page exists, the floating rate will be determined by the Determination Agent.

The determination of the floating rate in accordance with the above alternative methodologies may result in a lower amount of interest being payable to you than if the floating rate had been determined using the original methodology.

**6.2 There are risks relating to interest linked to one or more Underlying Asset(s)**

The Securities may bear interest at a rate that is contingent upon the performance of one or more Underlying Asset(s) and may vary from one interest payment date to the next. The interest rate reflected by any given interest payment may be less than the rate that the Issuer (or any other bank or deposit-taking institution) may pay in respect of fixed rate Securities for an equivalent period and may be zero. If interest payments are contingent upon the performance of one or more Underlying Asset(s), you should be aware of the risk that you may not receive any interest payments if the Underlying Asset(s) do not meet the performance criteria. See also risk factor 4.3 *'The Securities are designed to be buy-to-hold instruments and the value and quoted price of your Securities (if any) at any time prior to redemption will reflect many factors and cannot be predicted.'*

**6.3 There are risks where your Securities have a 'memory' interest feature**

If the Securities include a 'memory' feature, the payment of interest will be conditional on the value or performance of the Underlying Asset. The interest amount payable will be zero on an interest payment date if the Underlying Asset does not perform in accordance with the terms of the Securities. If the Underlying Asset meets the performance criteria, the interest payable will be an amount for the current interest payment date plus any amounts from previous interest payment dates where interest was not paid. You will not be paid any interest or other allowance for the deferred payments of interest and it is possible that the Underlying Asset never meets the performance criteria, meaning that you will not receive any interest at all for the lifetime of the Securities.

**6.4 There are risks where your Securities have a 'range accrual' feature**

If the Securities include a 'range accrual' feature, then interest will only be paid if the level, price or other applicable value of the Underlying Asset(s) on the relevant valuation date(s) is at or above one or more specific lower barrier(s) and, if applicable, also at or below one or more specific upper barrier(s). It is possible that such level, price or other applicable value of the Underlying Asset(s) on the relevant valuation date(s) will not be at or above the lower barrier(s) or, if applicable, not be within the range during the relevant interest determination period, and therefore, no interest will be payable on the relevant interest payment date. This means that the amount of interest payable to you over the term of the Securities may vary and may be zero.

**6.5 There are risks where your Securities have a 'leverage' feature**

'Leverage' refers to the use of financial techniques to gain additional exposure to the Underlying Asset(s). A leverage feature will magnify the impact of the performance of the

Underlying Asset(s) to cause a greater or lower return on the Securities than would otherwise be the case in the absence of leverage. As such, a leverage feature can magnify losses in adverse market conditions. In the terms of the Securities, the leverage feature may be referred to variously as 'Participation', 'Leverage', 'Variable', 'Factor' and 'Multiplier', or other term and the Securities will have 'leverage' where any of these factors is equal to more than 100 per cent (or 1.00). The inclusion of such a leverage feature in the Securities means that the Securities will be more speculative and riskier than in the absence of such feature, since smaller changes in the performance of the Underlying Asset(s) can reduce (or increase) the return on the Securities by more than if the Securities did not contain a leverage feature. You should be aware that a small movement in the value of the Underlying Asset(s) can have a significant effect on the value of the Securities.

**6.6 There are risks where your Securities have an 'averaging' feature (averaging over a series of valuation dates)**

Where the terms and conditions of your Securities include an averaging feature, the return on your Securities will depend on an initial price and/or final price which is the arithmetic average of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified averaging dates, rather than on one initial valuation date and/or final valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically changes on one or more of the averaging dates, the return on your Securities may be significantly less than it would have been if the amount payable or property deliverable had been calculated by reference to a single value taken on an initial valuation date or final valuation date.

**6.7 There are risks where your Securities have a 'lookback' feature**

Where the terms and conditions of your Securities provide that 'max lookback-out' applies, the return on your Securities will depend on the maximum of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified 'lookback-out' dates, rather than a single final valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically surges on one of the 'max lookback-out' dates, and the return on your Security is proportional to the negative performance of the Underlying Asset(s), the return on your Securities may be significantly less than it would have been if the amount payable or property deliverable had been calculated by reference to a single value taken on a single valuation date or another method.

Where the terms and conditions of your Securities provide that 'min lookback-out' applies, the return on your Securities will depend on the lowest of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified 'lookback-out' dates, rather than a single final valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically falls on one of the 'min lookback-out' dates, the return on your Securities may be significantly less than it would have been if the amount payable or property deliverable had been calculated by reference to a single value taken on a single valuation date or another method.

Where the terms and conditions of your Securities provide that 'max lookback-in' applies, the return on your Securities will depend on the maximum of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified 'lookback-in' dates, rather than a single initial valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically surges on one of the 'lookback-in' dates, the return on your Securities may be significantly less than it would have been if the amount payable or property deliverable had been calculated by reference to a single value taken on a single valuation date or another method.

Where the terms and conditions of your Securities provide that 'min lookback-in' applies, the return on your Securities will depend on the lowest of the applicable levels, prices or other applicable values of the Underlying Asset(s) on the specified 'lookback-in' dates, rather than a single initial valuation date. This means that if the applicable level, price or value of the Underlying Asset(s) dramatically falls on one of the 'min lookback-in' dates, and the return on your Security is proportional to the negative performance of the Underlying Asset(s), the

return on your Securities may be significantly less than it would have been if the amount payable or property deliverable had been calculated by reference to a single value taken on a single valuation date or another method.

**6.8 There are risks where your Securities include a 'cap'**

Where the terms and conditions of your Securities provide that the amount payable or property deliverable is subject to a pre-defined cap, your ability to participate in any positive change in the value of the Underlying Asset(s) (or any positive change in floating interest rates) will be limited, no matter how much the level, price or other value of the Underlying Asset(s) (or floating interest rates) rises above the cap level over the life of the Securities. Accordingly, the value of or return on your Securities may be significantly less than if you had purchased the Underlying Asset(s) (or invested in instruments which pay an uncapped floating rate of interest) directly.

**6.9 There are risks where your Securities reference a basket of Underlying Asset(s)**

Where Securities reference a basket of assets as Underlying Asset(s), you will be exposed to the performance of each Underlying Asset in the basket and you should refer to the relevant risk factors in this section relating to each of the asset classes represented. You should also consider the level of interdependence or 'correlation' between each of the basket constituents with respect to the performance of the basket. If the Underlying Asset(s) are correlated, the performance of the Underlying Asset(s) in the basket can be expected to move in the same direction.

You should be aware that the performance of a basket with fewer constituents will be more affected by changes in the values of any particular basket constituent than a basket with a greater number of basket constituents. Additionally, you should note that the performance of a basket that gives a greater 'weight' to a basket constituent, as compared to other basket constituents, will be more affected by changes in the value of that particular basket constituent than a basket which apportions an equal weight to each basket constituent.

The performance of basket constituents may be moderated or offset by one another. This means that, even in the case of a positive performance of one or more constituents, the performance of the basket as a whole may be negative if the performance of the other constituents is negative to a greater extent.

**6.10 There are risks where your Securities have a 'worst-of' feature**

Where the terms and conditions of your Securities include a 'worst-of' feature, you will be exposed to the performance of the Underlying Asset(s) which has the worst performance, rather than the basket as a whole.

This means that, regardless of how the other Underlying Asset(s) perform, if the worst performing Underlying Asset in the basket fails to meet a relevant threshold or barrier for the payment of interest or the calculation of any redemption amount, you might receive no interest payments or return on your initial investment and you could lose some or all of your investment.

**6.11 There are risks where your Securities have a 'barrier' feature**

If the calculation of interest or the calculation of any redemption amount depends on the level, value or price of the Underlying Asset(s) reaching or crossing a 'barrier' during a specified period or specified dates during the term of the Securities, such interest or redemption amount may alter dramatically depending on whether the barrier is reached or crossed (as applicable). This means you may receive less (or, in certain cases, more) if the level, value or price of the Underlying Asset(s) crosses or reaches (as applicable) a barrier, than if it comes close to the barrier but does not reach or cross it (as applicable), and in certain cases you might receive no interest payments and/or could lose some or all of your investment.

**6.12 There are risks where the redemption of your Securities depends only on the final performance**

If your Securities determine the redemption amount based on the performance of the Underlying Asset(s) as at the final valuation date only (rather than in respect of multiple periods throughout the term of the Securities) then you may not benefit from any movement in level, value or price of the Underlying Asset(s) during the term of the Securities that is not maintained in the final performance.

**6.13 There are risks where your Securities have high coupons which may indicate a higher risk of capital loss**

A higher coupon rate indicates a higher likelihood of capital risk. This means there is a greater likelihood that the barrier (if any) will be breached and/or the final price of the Underlying Asset(s) will be below a specified level which would mean the amount you receive at maturity is worth considerably less than the full return of principal.

**6.14 There are risks where your Securities have a limited maximum return**

Investors will not benefit from any appreciation in the Underlying Asset(s) during the term of the product. The maximum return is limited to the coupon amounts payable and a direct investment in the Underlying Asset(s) may provide a higher return over the term of the product.

**7. Risk Factors relating to Securities linked to one or more Underlying Assets**

Securities linked to one or more Underlying Asset(s) have a different risk profile to other unsecured debt securities and a particular issue of Securities may have features which contain particular risks. This section describes the most common features and related additional factors which you should take into account when considering an investment in such Securities.

**7.1 Past performance of an Underlying Asset(s) is not indicative of future performance**

Any information about the past performance of an Underlying Asset(s) should not be regarded as indicative of any future performance of such Underlying Asset, or as an indication of the range of, or trends or fluctuations in, the price or value of such Underlying Asset(s) that may occur in the future. It is not possible to predict the future value of the Securities based on such past performance. Actual results will be different, and such differences may be material.

**7.2 You will have no claim against or interest in any Underlying Asset(s)**

The Securities are unsecured, and the Issuer has no obligation to hold the Underlying Asset(s). You will not have any legal or beneficial rights of ownership in the Underlying Asset(s). For example, where the Underlying Asset(s) is a share, you will have no voting rights, no rights to receive dividends or other distributions or any other rights with respect to the Underlying Asset(s). In addition, you will have no claim against any share issuer, index sponsor, fund issuer, fund sponsor or any other third party in relation to an Underlying Asset(s); such parties have no obligation to act in your interests. Accordingly, you may receive a lower return on the Securities than you would have received had you invested directly in the Underlying Asset(s).

**7.3 There are certain risks if you are purchasing Securities for hedging purposes**

If you are intending to purchase Securities as a hedge instrument, you should recognise the complexities of utilising Securities in this manner. Due to fluctuating supply and demand for the Securities and various other factors, there is a risk that the value of the Securities may not correlate with movements of the Underlying Asset(s), and the Securities may not be a perfect hedge for the Underlying Asset(s) or a portfolio containing the Underlying Asset(s). In addition, it may not be possible to liquidate the Securities at a level reflective of the price, level or value of the Underlying Asset(s).

**7.4 Non-trading days or market disruption events may adversely affect the value of and return on your Securities**

If the Determination Agent determines that a scheduled valuation date falls on a day which is not a scheduled trading day or any other day which is subject to adjustment in accordance with the terms and conditions of the Securities, then the relevant valuation date may be postponed until the next scheduled trading day.

The Determination Agent may determine that the markets have been affected in a manner that prevents it from properly determining the value of an Underlying Asset(s) on a scheduled valuation date. These events may include disruptions or suspensions of trading in the markets as a whole. In such case, the valuation date will be postponed and the value of and return on the Securities could be adversely affected.

If any valuation date is postponed to the last possible day and the market disruption event is still occurring on that day or such day is not a trading day, the Determination Agent will nevertheless determine the value of that Underlying Asset(s) on such last possible day. Any such determination may negatively impact the value of and return on the Securities.

**7.5 There are particular risks where your Securities are linked, directly or indirectly, to Underlying Asset(s) located in or otherwise exposed to emerging markets**

If your Securities are linked, directly or indirectly, to Underlying Asset(s) issued by issuers in, or comprised of assets or constituents located in emerging market jurisdictions, you should be aware that investments linked to emerging markets involve additional risks to those typically seen in more developed markets, including generally increased volatility, higher likelihood of governmental intervention and the lack of a developed system of law.

Such Securities may also be exposed to the risks of economic, social, political, financial and military conditions in such jurisdictions, including, in particular, political uncertainty and financial instability; the increased likelihood of restrictions on export or currency conversion; the greater potential for an inflationary environment; the possibility of nationalisation or confiscation of assets; the greater likelihood of regulation by national, provincial and local governments, including the imposition of currency exchange laws and taxes; less liquidity in emerging market currency markets as compared to the liquidity in developed markets and less favourable growth prospects, capital reinvestment, resources and self-sufficiency.

There is generally less publicly available information about emerging market issuers and potentially less developed accounting, auditing and financial reporting standards and requirements and securities trading rules. Furthermore, the small size of the securities markets and relative inexperience of local market participants in certain emerging market countries and the limited volume of trading in Securities may make the Underlying Asset(s) illiquid and more volatile than investments in more established markets.

Any or all of these risks may have a negative impact on the value of and return on Securities with exposure to emerging markets.

**8. Risks associated with early redemption (including autocall features) or adjustment of the Securities**

**8.1 If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk**

The Securities may be redeemed prior to their scheduled redemption date, and you are therefore subject to the following risks:

- risk of loss of investment: depending on the circumstance in which your Securities are redeemed prior to their scheduled redemption date, the amount of redemption proceeds you receive may be less than your original investment (see below and, in particular, risk factor 8.5 (*There are costs associated with any early redemption of Securities*))



*(other than an automatic (autocall) redemption) that will reduce the amount otherwise payable));*

- **risk of loss of opportunity:** in the event that your Securities are redeemed prior to their scheduled redemption date, you will lose the opportunity to participate in any subsequent positive performance of the Underlying Asset(s) and be unable to realise any potential gains in value of the Securities; and
- **reinvestment risk:** following such early redemption, you may not be able to reinvest the proceeds from an investment at a comparable return and/or with a comparable interest rate for a similar level of risk. You should consider such reinvestment risk in light of other available investments before you purchase the Securities.

The circumstances in which your Securities may be redeemed prior to their scheduled redemption date and the amount you can expect to receive in such cases are described below.

Also, in certain circumstances, the terms of your Securities may be adjusted by the Issuer or the Determination Agent. Such adjustment could have an adverse effect on the value of and return on your Securities. These circumstances include, but are not limited to, following an Additional Disruption Event (as described below), a redenomination, an index correction, a manifest error in index calculation and a potential adjustment event in relation to shares.

## 8.2 Your Securities may redeem early following an automatic redemption (autocall) event

The terms of your Securities may provide that they will be automatically redeemed prior to the scheduled redemption date if an automatic redemption (autocall) event occurs. An automatic redemption (autocall) event will occur if the level, price, value or performance of the Underlying Asset(s) breaches one or more specified thresholds on one or more specified dates. In the event that such an automatic redemption (autocall) event occurs, you will be paid an early redemption amount equal to the Calculation Amount or such other amount specified in the terms and conditions. In such case, you may not be able to reinvest the proceeds from an investment at a comparable return and/or with a comparable interest rate for a similar level of risk. You should consider such reinvestment risk in light of other available investments before you purchase the Securities. In the event that an automatic redemption (autocall) event does not occur during the term of your Securities, you may lose some or all of your investment at maturity, depending on the performance of the Underlying Asset(s) and the specific terms and conditions of your Securities.

## 8.3 Your Securities may redeem early or may be adjusted by the Determination Agent following an Additional Disruption Event, FX Disruption Event, or early redemption for unlawfulness or impracticability

There are certain events – relating to the Issuer, its hedging arrangements, the Underlying Asset(s), taxation or the relevant currency – the occurrence of which may cause the Securities to be redeemed prior to their scheduled redemption date:

### (a) Additional Disruption Events

Additional Disruption Events include:

- unless specified to be not applicable to the Securities, a tax event causing the withholding or deduction of amounts otherwise payable by the Issuer under the Securities;
- unless specified to be not applicable to the Securities, an extraordinary market disruption event preventing the Issuer's performance of its obligations under the Securities;
- unless specified to be not applicable to the Securities, an event impacting one or more currencies that the Issuer determines would materially disrupt or impair its ability to meet its obligations or otherwise settle, clear or hedge the Securities;

- unless specified to be not applicable to the Securities, the Issuer's ability to source or unwind related transactions put in place to provide the returns on the Securities (Hedge Positions) is adversely affected in any material respect;
- unless specified to be not applicable to the Securities, a change in law that means it has become, or is likely to become, illegal for the Issuer to hold Hedge Positions or it will incur a materially increased cost in dealing with Hedge Positions; and
- if the Securities are CREST Securities, loss of CREST eligibility of such Securities.

If any of these events occurs, the Issuer shall:

- adjust the terms and conditions of the Securities (without the consent of Holders); or
- if the Determination Agent determines that no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic effect to the holders of a holding of the relevant Security, redeem the Securities prior to their scheduled redemption date.

Any adjustment made to the terms and conditions of the Securities (which may include a reduction in the amount otherwise payable or deliverable under the Securities in order to reflect increased costs or otherwise to the Issuer) may have a negative effect on the value of and return on the Securities.

In the event of early redemption of your Securities due to the occurrence of any of the above events, unless 'par' is specified in the terms and conditions of the Securities, the early redemption amount you will receive will be equal to the fair market value of your Securities following the event triggering the early redemption. The market value may include allowances for costs associated with the early redemption, such as those incurred by the Issuer in unwinding any related transactions which were put in place to provide the returns on the Securities. In any case, **the early redemption amount you will receive may be less than your original investment and you could lose some or all of your investment.**

See also risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*) and risk factor 8.5 (*There are costs associated with any early redemption of Securities (other than an automatic (autocall) redemption) that will reduce the amount otherwise payable*).

**(b) Unlawfulness or impracticability**

If the Issuer determines that the performance of any of its absolute or contingent obligations under the Securities has become unlawful or a physical impracticability, in whole or in part, the Issuer may redeem the Securities prior to their scheduled redemption date.

In the event of early redemption of your Securities due to the occurrence of any of the above events, unless 'par' is specified in the terms and conditions of the Securities, the early redemption amount you will receive will be equal to the fair market value of your Securities prior to redemption. The market value may include allowances for costs associated with the early redemption, such as those incurred by the Issuer in unwinding any related transactions which were put in place to provide the returns on the Securities. In any case, **the early redemption amount you will receive may be less than your original investment and you could lose some or all of your money.**

See also risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*) and risk factor 8.5 (*There are costs associated with any early redemption of Securities*).

*(other than an automatic (autocall) redemption) that will reduce the amount otherwise payable).*

**(c) FX Disruption Event**

An FX Disruption Event is an event occurring on or prior to a payment date that prevents or delays the conversion into the settlement currency of the Securities, including capital controls or other restrictions in the relevant jurisdiction. If 'FX Disruption Event' is applicable in the terms and conditions of your Securities, the Issuer may, following the occurrence of an FX Disruption Event, deduct costs, expenses or charges in connection with such FX Disruption Event, pay in another currency, postpone the relevant valuation or payment date, designate an alternative fallback or price source or treat the FX Disruption Event as an Additional Disruption Event and apply the corresponding adjustments or early redemption – see also risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*) above.

**8.4 The Securities may be redeemed early following a Nominal Call Event**

Where the terms and conditions of your Securities provide that Nominal Call Event applies, the Issuer may redeem your Securities prior to their scheduled redemption date if the aggregate nominal amount or the number of Securities outstanding drops below a specified threshold (being 10 per cent, or, if applicable, such lesser percentage as specified in the Final Terms, of the aggregate nominal amount or number of Securities as at the first Issue Date of the Securities). In such case, you will receive an early redemption amount equal to the fair market value of your Securities on the call date less (save where 'Unwind Costs' is specified to be not applicable), costs associated with the Issuer's hedging arrangements. **The early redemption amount you will receive may be less than your original investment and you could lose some or all of your investment.**

See also risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*) and risk factor 8.5 (*There are costs associated with any early redemption of Securities (other than an automatic (autocall) redemption) that will reduce the amount otherwise payable*).

**8.5 There are costs associated with any early redemption of Securities (other than an automatic (autocall) redemption) that will reduce the amount otherwise payable or deliverable**

If the Securities are redeemed prior to their scheduled maturity (other than due to an automatic (autocall) redemption), the amount payable or deliverable (unless 'par' is specified in the terms and conditions of the Securities) determined by the Determination Agent as equal to the market value of the Securities as soon as reasonably practicable on the relevant date and by reference to such factors as the Determination Agent considers to be appropriate. The amount may also be adjusted (save where 'Unwind Costs' is specified to be not applicable) to take into account any costs, charges, fees, accruals, losses, withholdings and expenses in connection with hedging unwind and funding breakage costs, Local Jurisdiction Taxes and Expenses and certain other taxes, prices or expenses paid (in each case, if any and as applicable as set out in the terms and conditions of the Securities). Such costs, losses and expenses will reduce the amount you will receive on such early redemption and may reduce such amount to zero. The Issuer is not under any duty to hedge itself at all or in any particular manner, and is not required to hedge itself in a manner that would (or may be expected to) result in the lowest costs, losses and expenses.

**9. Risks associated with certain other miscellaneous features and terms of the Securities, including discretions, Issuer substitution and amendments, amongst others**

**9.1 Discretionary determinations made by the Determination Agent may have a negative impact on the Securities**

Any determination made by the Determination Agent will be made in good faith and in a commercially reasonable manner and, in the absence of manifest or proven error, shall be

conclusive and binding on all persons (including, without limitation, the Holders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators. Any such determination could adversely affect the value of and return on the Securities. See also risk factor 14 (*Risks associated with discretionary powers of the Issuer and the Determination Agent, including in relation to the Issuer's hedging arrangements*).

## 9.2 **The Issuer may be substituted for another entity without your consent**

Unless your Securities are French Securities or are listed on Borsa Italiana S.p.A., the Issuer may substitute itself as the principal obligor under the Securities for any other company which has an equivalent or better rating of long-term unsecured, unsubordinated and unguaranteed debt obligations from an internationally recognised rating agency. Following such a substitution, the original Issuer entity will be released from all payment and delivery obligations under the Securities, and you will become subject to the credit risk of the substitute issuer under your Securities. You will have no right of claim against the original Issuer or the substituted Issuer in the event that such substitution has adverse tax consequences for you. A substitution of the Issuer may affect any listing of the Securities and, in particular, it may be necessary for the substituted issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed.

## 9.3 **If you have not fully satisfied each of the conditions to settlement, delivery of any property deliverable to you and/or payment under the Securities shall be postponed and may ultimately be forfeit**

If the Issuer or, in the case of French Securities and French Cleared Securities, the Issue and Paying Agent determines that you have not satisfied each of the conditions to settlement in full, payment of the amount payable or delivery of the property deliverable to you will not take place until all such conditions to settlement have been satisfied in full. No additional amounts will be payable to you by the Issuer because of any resulting delay or postponement. Further, if you have not fully satisfied each of the conditions to settlement by the 180th calendar day (or such other period as specified in the terms and conditions of the Securities) following the final settlement cut-off date, you will lose your right to claim the delivery entitlement under your Securities or any cash payment, and you shall have no further claim against the Issuer under your Securities.

If the Securities are to be settled by way of physical settlement, the Issuer's obligation to deliver the relevant property is subject to various additional conditions, including, without limitation, your obligation to deliver to the Issuer a delivery entitlement instruction within the prescribed time frame. No delivery will be made in respect of a physically settled Security unless the Issuer has received the required instructions, certifications and information and, where applicable, the relevant Security has been delivered and surrendered in accordance with the terms of the Master Agency Agreement, the terms and conditions of the Securities and the terms of any relevant Global Security.

## 9.4 **Settlement disruption risk**

Certain settlement disruption events may occur which could restrict the Issuer's ability to make payments and/or deliver entitlements (in the case of Securities which provide for settlement by way of physical delivery), and the date of delivery of payments and/or entitlements could be delayed accordingly. In the case of a Security in respect of which physical delivery applies, where the delivery of the relevant entitlement using the method of delivery specified in the terms and conditions of the Securities is or is likely to become impossible or impracticable by reason of a settlement disruption event having occurred and continuing on the physical delivery date, such date will first be postponed and the Issuer also has the right to either (i) deliver some or all of the entitlement using such other commercially reasonable manner as it may select, or (ii) pay an amount in lieu of delivering the relevant entitlement. Such a disruption event and related determinations may have an adverse effect on the value of the relevant Security.

**9.5 There are certain risks where your Securities provide for settlement by way of physical delivery of the relevant Underlying Asset(s)**

The following risks apply where your Securities provide for settlement by way of physical delivery of the relevant Underlying Asset(s). Any of these features could have a negative effect on the value of and return on the Securities.

**(a) Conditions to settlement**

See risk factor 9.3 (*If you have not fully satisfied each of the conditions to settlement, delivery of any property deliverable to you and/or payment under the Securities shall be postponed and may ultimately be forfeit*).

**(b) Settlement disruption risk**

See risk factor 9.4 (*Settlement disruption risk*).

**(c) Entitlement Substitution**

If the terms and conditions of your Securities provide that 'Entitlement Substitution' applies, where the Issuer determines that the relevant property to be delivered is not freely transferable, it is unable to acquire the relevant property or the price has been significantly affected by illiquidity, the Issuer may elect to either (a) substitute the affected entitlement components and deliver substitute assets, or (b) not deliver the affected entitlement components and to pay an amount in lieu thereof to Holders. This may result in you being exposed to the issuer of the substituted assets (as well as any custodian holding such assets). Also, if the substituted assets are physically delivered upon redemption of the Securities, you may not be able to sell such substituted assets for a specific price and, under certain circumstances, the delivered assets may have a very low value and may be worth zero. You may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such assets.

**9.6 The terms and conditions of your Securities may be amended by the Issuer without your consent in certain circumstances**

The terms and conditions of the Securities may be amended by the Issuer without the consent of the Holders in any of the following circumstances:

- to cure a manifest or proven error or omission;
- where such amendment will not materially and adversely affect the interests of Holders;
- to correct or supplement any defective provision;
- where the amendment is of a formal, minor or technical nature; and/or
- to comply with mandatory provisions of law or (in the case of CREST Securities) any change in CREST Requirements.

In certain other circumstances, the consent of a defined majority of Holders is required.

The terms and conditions of the Securities contain provisions for Holders to call and attend meetings to vote upon such matters or to pass a written resolution in the absence of such a meeting. Resolutions passed at such a meeting, or passed in writing, can bind all Holders, including investors that did not attend or vote, or who do not consent to the amendment.

**9.7 Risks in relation to Minimum Tradable Amounts and minimum Specified Denomination where specified to be applicable**

Where the terms and conditions of your Securities provide for a Minimum Tradable Amount or Specified Denomination consisting of a nominal amount plus one or more integral multiples of another smaller amount, if you hold an amount which is less than the Minimum Tradable Amount or minimum Specified Denomination at the relevant time:

- you will not be able to transfer or sell your holding;
- you may not receive a Definitive Bearer Security in respect of such holding (should Definitive Bearer Securities be printed); and
- you would need to purchase a nominal amount of Securities such that your holding amounts to such Minimum Tradable Amount or minimum Specified Denomination in order to be able to sell or transfer Securities or receive a Definitive Bearer Security.

If Definitive Bearer Securities are issued, you should be aware that those Securities which have a denomination that is not an integral multiple of any minimum denomination may be illiquid and difficult to trade.

Notwithstanding the foregoing, such Securities will only be transferable in accordance with the rules of the relevant clearing system.

You should be aware that Temporary Global Securities will not be exchangeable for Definitive Bearer Securities, unless there is a default of the relevant clearing system and no alternative clearing system is found.

#### **9.8 There are risks where your Securities are Book-Entry Securities**

If you hold your Securities in dematerialised and/or uncertificated form ("**Book-Entry Securities**"), you will not be the legal owner of the Book-Entry Securities. Rights in the Book-Entry Securities will be held through custodial and depositary links through the relevant clearing systems. This means that holders of Book-Entry Securities will only be able to enforce rights in respect of the Book-Entry Securities indirectly through the intermediary depositaries and custodians.

#### **9.9 There are risks if you hold your Securities in the form of CREST Depository Interests**

If you hold your Securities in the form of CREST Depository Interests (CDIs), you will not be the legal owner of the Securities to which such CDIs relate (the Underlying Securities). CDIs are separate legal instruments from the Underlying Securities and represent indirect interests in the interests of the CREST nominee in such Underlying Securities. CDIs will be issued by the CREST Depository to investors and will be governed by English law.

The Underlying Securities (as distinct from the CDIs representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through the Relevant Clearing System. Rights in the Underlying Securities will be held through custodial and depositary links through the Relevant Clearing System. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the Relevant Clearing System in or through which the Underlying Securities are held.

Rights in respect of the Underlying Securities cannot be enforced by holders of CDIs except indirectly through the CREST Depository and CREST nominee who in turn can enforce rights indirectly through the intermediary depositaries and custodians described above. The enforcement of rights in respect of the Underlying Securities will therefore be subject to the local law of the relevant intermediary. These arrangements could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities 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.

If a matter arises that requires a vote of Holders, the Issuer may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Holders of CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual (April 2008) issued by Euroclear UK & Ireland Limited and as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules (contained in the CREST Manual) applicable to the CREST International Settlement Links Service. Holders of CDIs must comply in full with all obligations imposed on them by such provisions, including in relation to (i) indemnities, warranties, representations and undertakings to be given by holders of CDIs and limitations on the liability of the CREST Depository as issuer of the CDIs and (ii) 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 Underlying Securities through the CREST International Settlement Links Service.

None of the Issuer or any Manager or Agent makes any representation or warranty as to the tax consequences of an investment in CDIs and/or the tax consequences of the acquisition, holding, transfer or disposal of CDIs by any investor (including, without limitation, whether any stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary or any other similar tax, duty or charge may be imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction on the acquisition, holding, transfer or disposal of CDIs by any investor). Whilst your attention is drawn to the section entitled '*Taxation*', the tax consequences for each investor in CDIs can be different. Therefore, you should consider consulting with a tax adviser as to their specific consequences, including, in particular, whether United Kingdom stamp duty reserve tax will be payable on transfers of CDIs in uncertificated form within CREST.

#### **9.10 There are risks if you hold your Securities through nominee arrangements**

Where a distributor and/or a nominee service provider is used by you to invest in the Securities, you will only receive payments and/or deliveries of Underlying Asset(s) on the basis of arrangements entered into by you with the distributor or nominee service provider, as the case may be. In such case, you must look exclusively to the distributor or nominee service provider for all payments and/or deliveries attributable to the Securities. Neither the Issuer, Manager(s) nor Determination Agent nor any other person will be responsible for the acts or omissions of the distributor or nominee service provider, nor make any representation or warranty, express or implied, as to the services provided by the distributor or nominee service provider.

#### **9.11 You should be aware that certain specific information in relation to the Securities may not be known at the beginning of an offer period**

In relation to Securities which are being offered by way of a public offer, certain specific information relating to the Securities (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Securities) may not be fixed or determined by the start of the offer. In such case, the terms and conditions of your Securities will provide an indicative amount, an indicative minimum amount, or an indicative maximum amount, or any combination of the foregoing.

The actual amounts, levels, percentages, prices, rates or values (as applicable) will be determined based on market conditions by the Issuer on or around the end of the offer period and may be the same as or different from any indicative amount specified in the terms and conditions of your Securities, provided that such actual amounts will not be less than any indicative minimum amount provided in the terms and conditions of your Securities and will not be more than any indicative maximum amount provided in the terms and conditions of

your Securities. Notice of the actual amounts, levels, percentages, prices, rates or values (as applicable) will be published prior to the Issue Date in accordance with the Conditions.

You must make your investment decision in relation to the Securities based on the indicative amounts provided rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after your investment decision has been made. As there is a risk that the indicative amounts will not be the actual amounts, levels, percentages, prices, rates or values (as applicable), you should assume, for the purposes of evaluating the risks and benefits of an investment in the Securities, that the actual amounts, levels, percentages, prices, rates or values (as applicable) which are fixed or determined at the end of the offer period will be (i) lower than the indicative amount and equal to the minimum amount (where provided and where a higher amount, level, percentage, price, rate or value (as applicable) may lead to a greater return on the Securities) or (ii) higher than the indicative amount and equal to the maximum amount (where provided and where a lower amount, level, percentage, price, rate or value (as applicable) may lead to a greater return on the Securities).]

## 10. Risks associated with foreign exchange

### 10.1 **There are foreign exchange risks where the terms and conditions of your Securities provide that payment under the Securities will be made in a currency which is different from the currency of the Underlying Asset(s) and/or different from your home currency, or are subject to a foreign exchange conversion**

If the terms and conditions of your Securities provide that payment under the Securities will be made in a currency which is different from the currency of the Underlying Asset(s) and/or different from your home currency then, depending on the particular payout terms of your Securities, you may be exposed to the adverse movement of the settlement currency of the Securities relative to the currency of the Underlying Asset(s) and/or your home currency.

If the terms and conditions of your Securities provide for physical delivery of a particular Underlying Asset(s) and the currency of the Underlying Asset(s) is different from the settlement currency of the Securities and/or your home currency then, following the date on which the entitlement to delivery of the relevant property is determined, you will (i) not benefit from the positive movement of the settlement currency of the Securities relative to the currency of the Underlying Asset(s) (if any) and (ii) be exposed to the volatility and fluctuations of such currency of the Underlying Asset(s) relative to the settlement currency of the Securities and/or your home currency. Further, where the currency of the Underlying Asset(s) is different from the settlement currency of your Securities, you may be exposed to similar foreign exchange risk in respect of any fraction of the Underlying Asset(s) which is not delivered to you but for which you are entitled to a cash amount.

Foreign exchange rates can be highly volatile and are determined by various factors, including supply and demand for currencies in the international foreign exchange markets, economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility, safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks.

A foreign exchange rate can be fixed by the sovereign government, allowed to float within a range of exchange rates set by the government or left to float freely. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. In addition, governments around the world, including the governments of other major world currencies, have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and may cause foreign exchange rates to



fluctuate more than would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders.

Foreign exchange fluctuations between your home currency and the currency in which payment under the Securities is due may affect you where you intend to convert gains or losses from the exercise or sale of Securities into your home currency and may eventually cause a partial or total loss of your initial investment.

#### 10.2 'Dual Currency' Securities

In the case of any Securities having a settlement currency that is different from the issue currency, the amount of interest and/or any redemption amount payable will be determined by reference to an exchange rate, the method of calculation of which will be determined by the Determination Agent.

Where you purchase 'Dual Currency' Securities, you will be exposed to currency risks in addition to the currency risks relating to the Underlying Asset(s) because the value of your Securities may increase or decrease as a result of fluctuations between the issue currency (or your home currency) and the settlement currency. Foreign exchange fluctuations between your home currency or the issue currency and the relevant currency in which the repayment amount of your Securities is denominated may affect you where you intend to convert gains or losses from the exercise or sale of your Securities into your home currency.

Foreign exchange fluctuations between an investor's home currency (or the issue currency) and the Settlement Currency may affect investors who intend to convert gains or losses from the exercise or sale of Securities into their home currency and may eventually cause a partial or total loss of the investor's initial investment.

#### 11. Risks associated with Securities linked to common shares, ADRs, GDRs and ETFs as Underlying Asset(s)

If the Underlying Asset(s) of your Securities is or includes any one or more of a common share, ADR, GDR or ETF, you should consider the following risks:

##### 11.1 Risks associated with common shares, ADRs, GDRs and ETFs

**(a) The performance of the Underlying Asset(s) depends on many diverse and unpredictable factors**

The performance of common shares, American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and exchange traded funds ("ETFs") is dependent upon (i) macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors as well as (ii) company-specific factors such as earnings, market position, risk situation, shareholder structure and distribution policy. Any one or a combination of such factors could adversely affect the performance of the Underlying Asset(s) which, in turn, would have an adverse effect on the value of and return on your Securities.

**(b) Holders of Securities linked to common shares, ADRs, GDRs or ETFs will not participate in dividends or any other distributions (unless otherwise specified to be applicable in the terms and conditions) and the return on the Securities may therefore be lower than holding such Underlying Asset(s) directly**

Unless otherwise specified to be applicable in the terms and conditions, you (as an investor of Securities linked to common shares, ADRs, GDRs or ETFs) will not participate in dividends or any other distributions paid on those common shares, ADRs, GDRs or ETFs. Therefore, the return on the Securities may be lower than holding such Underlying Asset(s) directly.

**(c) The occurrence of an Additional Disruption Event or certain other events in relation to the Underlying Asset(s) may lead to the adjustment or early redemption of your Securities or substitution of the Underlying Asset(s)**

If a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting (all as defined in the terms and conditions of the Securities) occurs in relation to the underlying shares or the issuer of the relevant underlying shares, this will constitute an Additional Disruption Event leading to the adjustment by the Determination Agent of the terms and conditions of the Securities (without the consent of Holders) or the early redemption of the Securities, and for an amount which may be less than you paid for the Securities – see risk factor 8.3 (*Your Securities may redeem early or may be adjusted by the Determination Agent following an Additional Disruption Event, FX Disruption Event, or early redemption for unlawfulness or impracticability*).

If the terms and conditions of your Securities provide that 'Substitution of Shares' applies, the occurrence of any of the events described in the above paragraph or an insolvency filing, delisting, fund disruption event (in the case of an ETF) or share cancellation in relation to the underlying shares or the issuer of the relevant underlying shares (all as set out in the terms and conditions of the Securities) may cause the replacement of the deliverable shares for substitute shares (as selected by the Determination Agent in accordance with the terms and conditions of the Securities). If there is a substitution of shares, you will be exposed to the issuer of the substituted assets (as well as any custodian holding such assets). If the substituted assets are physically delivered upon redemption of the Securities, you may not be able to sell such substituted assets for a specific price and, under certain circumstances, the delivered assets may have a very low value and may be worth zero. You may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such assets.

- (d) **The occurrence of a 'potential adjustment event' could trigger an adjustment to the terms and conditions of the Securities which may have a negative effect on the value of and return on the Securities**

A 'potential adjustment event' is an event which has a diluting or concentrating effect on the theoretical value of the Underlying Asset. If a 'potential adjustment event' occurs, the Issuer may elect to amend the terms and conditions of the Securities (such amendment to be determined by the Determination Agent without the consent of Holders) or to deliver additional Securities or cash to the Holders to account for the diluting or concentrative effect of the event.

Any adjustment made to the terms and conditions of the Securities may have a negative effect on the value of and return on the Securities. Any amount received from the Issuer following an amendment of the terms and conditions of the Securities may be less than your initial investment and could be zero.

- (e) **There are particular risks in relation to Securities which provide for physical delivery**

The Securities may include the right of the Issuer, subject to the fulfilment of certain conditions by you as the Holder, to redeem the Securities by delivering common shares, ADRs, GDRs or shares in the ETF (as applicable) to you rather than a cash amount. You will therefore be exposed to the issuer of such common shares or shares underlying the ADRs or GDRs (as well as the custodian holding such shares) or the ETF and the risks associated with such assets to be delivered. You may not be able to sell such delivered assets for a specific price after the redemption of the Securities and, under certain circumstances, the delivered assets may have a very low value and may be worth zero. You may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such assets.

Additionally, where the property due to be delivered to you would include a fraction of any component comprising the property, you will be entitled to receive an amount in cash in lieu of such fraction as determined by the Determination Agent.

See also risk factor 9.4 (*Settlement disruption risk*).

### 11.2 Additional risks associated with common shares

The issuer of common shares of a company will not have participated in the offering and issuance of the Securities and none of the Issuer or the Manager(s) will have made any investigation or enquiry in relation to the share issuer for the purposes of the Securities. Therefore, there can be no assurance that all events occurring prior to the Issue Date of the Securities that would affect the trading price of the relevant share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the share issuer could affect the trading price of the share and therefore the trading price of the Securities. Also, you should be aware that the issuer of any common shares may or may not take actions in respect of common shares without regard to the interests of Holders and any of these actions could have a negative effect on the value of the Securities.

### 11.3 Additional risks associated with depository receipts

(a) **There is a risk of realising a lower return than the shares underlying the depository receipt**

ADRs are instruments issued in the US in the form of share certificates representing a number of shares held outside the US, in the country where the share issuer is domiciled. GDRs are instruments in the form of share certificates representing a number of shares held in the country of domicile of the share issuer and are usually offered or issued in a country other than the US. The amount you receive on Securities linked to ADRs or GDRs may not reflect the return that you would obtain if you actually owned the shares underlying such ADRs or GDRs because the price of the ADR or GDR may not take into account the value of any dividends or other distributions paid on the underlying shares. Therefore, you may receive a lower return on the Securities than you would have had you invested in the shares underlying such ADRs or GDRs directly.

(b) **There is a risk of non-recognition of beneficial ownership**

The legal owner of the shares underlying the ADRs or GDRs is the custodian bank which is also the issuing agent of the depository receipts. Depending on the jurisdiction under which the depository receipts have been issued, there is a risk that such jurisdiction does not legally recognise the purchaser of the ADR or GDR as the beneficial owner of the underlying shares. In the event the custodian becomes insolvent or that enforcement measures are taken against the custodian it is possible that an order restricting the free disposition of the underlying shares is issued. In this event the purchaser of an ADR or GDR may lose its rights to the underlying shares under the ADR or GDR and the ADR or GDR could become worthless. As a result, the value of Securities linked to the ADRs or GDRs may be negatively affected and could become worthless.

### 11.4 Additional risks associated with exchange traded funds ("ETFs")

(a) **There is a risk of tracking error**

Where your Securities are linked to an interest in an ETF (being a fund, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement holding assets, such as shares, indices, bonds, commodities and/or other securities such as financial derivative instruments (for the purposes of this subparagraph, "Reference Asset(s)"), and listed on a recognised exchange) and the investment objective of such ETF is to track the performance of such Reference Asset(s), you are exposed to the performance of such ETF rather than the Reference Asset(s). There is a risk that the ETF may not reflect the actual return you would obtain if you actually owned the Reference Asset(s) underlying the ETF. Accordingly, you may receive a lower return than you would have received had you invested in the Reference Asset(s) underlying such ETF directly.

(b) **There are risks relating to the ETF managers, analytical tools and investments of the ETF**

There is a risk that the ETF managers will not succeed in meeting the investment objectives of the ETF, that any analytical model used thereby will prove to be incorrect and that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which such ETF has or may invest will prove inaccurate, any of which may have a negative effect on the value of and return on the Securities.

(c) **There is a risk of adverse actions by the management company, trustee or sponsor**

The management company, trustee or sponsor of an ETF will have no involvement in the offer and sale of the Securities and accordingly will have no obligation to you as Holder and could take any actions without regard to the interests of Holders. Any such action may have a negative effect on the value of and return on the Securities.

(d) **There is a risk that where the relevant ETF invests in financial derivative instruments**

An ETF may invest in financial derivative instruments which expose the ETF and an investor to the credit, liquidity and concentration risks of the counterparties to such financial derivative instruments. This means that, if the relevant counterparties default under any of these financial derivative instruments, the value of the ETF may decline. As a result, the value of and return on the Securities could be adversely affected.

12. **Risks associated with Securities linked to equity indices as Underlying Asset(s)**

If the Underlying Asset(s) of your Securities is or includes an equity index, you should consider the following risks:

(a) **There are risks of fluctuations and volatility**

Securities linked to the performance of one or more equity indices provide investment diversification opportunities, but will be subject to the risk of fluctuations in both equity prices and the value and volatility of the relevant equity index or indices.

(b) **There are risks of shares and indices**

Equity indices are composed of a synthetic portfolio of shares, and, as such, the performance of an equity index is in turn subject to the risks associated with indices, as outlined in this risk factor 12 (*Risks associated with Securities linked to equity indices as Underlying Asset(s)*) and with shares as specified above in risk factor 11 (*Risks associated with Securities linked to common shares, ADRs, GDRs and ETFs as Underlying Asset(s)*).

(c) **You may receive a potentially lower return than if you held the underlying shares directly**

The amount payable or property deliverable on any Securities linked to one or more equity indices (which are not dividend indices or which do not otherwise include dividend distributions in their level) may not reflect the return that you would realise if you actually owned the relevant shares of the companies comprising that equity index. This is because the closing index level of such index on any specified valuation date may reflect the prices of such index components without taking into account any dividend payments on those component shares. Accordingly, you may receive a lower return on Securities linked to one or more equity indices than you would have received had you invested directly in those shares.

(d) **There are risks in relation to a change in composition, methodology or policy used in compiling the index**

The Index Sponsor can add, delete or substitute the components of an index at its discretion, and may also alter the methodology used to calculate the level of the index. These events may have a detrimental impact on the level of the index, which in turn could have a negative impact on the value of and return on your Securities.

(e) **There are risks in relation to index adjustments events, successor indices, corrections and manifest errors**

If an Index Sponsor makes a material alteration to an index or cancels an index and no successor exists, or fails to calculate and announce the index, the Determination Agent may, if it deems the event to have a material effect on the Securities, calculate the level of the Index as per the previous formula and method or redeem the Securities prior to their scheduled redemption date in accordance with the terms and conditions of the Securities, and for an amount which may be less than you paid for the Securities – see risk factor 8.3 (*Your Securities may redeem early or may be adjusted by the Determination Agent following an Additional Disruption Event, FX Disruption Event, or early redemption for unlawfulness or impracticability*).

If an index is calculated by a successor index sponsor, or is replaced by a successor index, the successor index or index as calculated by the successor index sponsor will be deemed to be the index if approved by the Determination Agent. Any such successor index may perform poorly and may result in you receiving less than you otherwise expected.

If a correction to the relevant index is published not less than two exchange business days prior to the next payment date, the Determination Agent will recalculate the amount payable based on the corrected level of the relevant index. If there is a manifest error in the calculation of an index in the opinion of the Determination Agent, the Determination Agent may recalculate the Index based on the formula and method used prior to the manifest error occurring.

Any of these events may have an adverse effect on the value of and return on the Securities.

(f) **The index or any of its underlying components may trade around the clock; however, the Securities may trade only during regular trading hours in Europe**

If the market for the relevant index or any of its underlying components is a global, around-the-clock market, the hours of trading for the Securities may not conform to the hours during which the relevant index or any of its underlying components are traded. Significant movements may take place in the levels, values or prices of the relevant index or any of its underlying components that will not be reflected immediately in the price of the relevant Securities. There may not be any systematic reporting of last-sale or similar information for the relevant index or any of its underlying components. The absence of last-sale or similar information and the limited availability of quotations would make it difficult to obtain timely, accurate data about the state of the market for the relevant index or any of its underlying components.

(g) **There are data sourcing and calculation risks**

The composition of indices is typically recalculated in reliance upon historical price, liquidity and production data that are subject to potential errors in data sources or other errors that may affect the weighting of the index components. Any discrepancies that require revision are not applied retroactively but will be reflected in the weighting calculations of the index for the following year. Index sponsors may not discover every discrepancy. Any such errors or discrepancies may result in the Securities performing less well than they theoretically might have (if all such errors and discrepancies had been discovered earlier).

13. **Risks associated with Securities linked to dividends of shares comprised in an equity index that is a dividend index**

Where the Securities are linked to dividends of shares comprised in an equity index, you will be exposed to the declaration and payment of such dividends (if any) by the issuers of such shares, and such declaration and payment of dividends (if any) may be subject to the following risks:

- the value of the dividends paid by the individual constituent members of the equity index may be influenced by many factors: Payments of cash dividends by constituent members of the equity index may be reduced or not made at all due to a variety of independent factors, such as earnings and dividend policy, which could result in a reduction in the value of and return on the Securities.
- changes to the regulator and tax environment: Tax and regulatory decisions may result in reductions in the amount of dividends paid by individual constituent members of the equity index.
- constituent members of the equity index may not pay dividends in the relevant dividend period at all: If no dividends are paid by constituent members of the equity index during the relevant dividend period to which the Securities are linked, you could receive no return on your investment and, in some instances, the Securities may be worth zero.
- not all dividends paid by constituent members may be reflected in the level of the equity index: The equity index may only reflect certain types of dividends, such as ordinary unadjusted gross cash dividends and/or withholding taxes on special cash dividends and capital returns as applied to the constituent members and may exclude extraordinary dividends which may, in turn, result in a lower return on the Securities.

**14. Risks associated with discretionary powers of the Issuer and the Determination Agent, including in relation to the Issuer's hedging arrangements**

There are certain events – relating to the Issuer, the Issuer's hedging arrangements, the Underlying Asset(s), taxation, the relevant currency or other matters – the occurrence of which may give rise to discretionary powers of the Issuer or the Determination Agent under the terms and conditions of the Securities. For example, see risk factor 8.3 (*Your Securities may redeem early or may be adjusted by the Determination Agent following an Additional Disruption Event, FX Disruption Event, or early redemption for unlawfulness or impracticability*).

In relation to the Underlying Asset(s), a key investment objective of the Securities is to allow Holders to gain an economic exposure to the Underlying Asset(s). If an Underlying Asset is materially impacted by an unexpected event (for example, a company merges and the original stock that formed an Underlying Asset is restructured or changed, or the rules of an index that is an Underlying Asset are materially modified) or the relevant price, level or value can no longer be calculated, then it may not be possible to achieve the investment objective of the Securities based on their original terms. In that case, the Determination Agent may have discretionary powers under the terms and conditions of the Securities to (i) adjust the terms and conditions of the Securities to preserve the original economic terms and rationale, (ii) in certain cases, substitute the Underlying Asset(s) for another, (iii) calculate the relevant price, level or value itself, (iv) postpone payment (v) redeem the Securities early or (vi) apply some combination thereof.

In relation to the Issuer's hedging arrangements, you should be aware that (i) in exercising its discretionary powers under the terms and conditions of the Securities, each of the Issuer and the Determination Agent 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 Issuer's hedging arrangements in respect of the Securities; and (ii) unless the terms and conditions of your Securities provide that certain hedge disruption events do not apply, certain events which affect the Issuer's hedging arrangements can give rise to discretionary powers on the part of the Issuer and the Determination Agent. For example, see risk factor 8.3 (*Your Securities may redeem early or may be adjusted by the Determination Agent following an Additional Disruption Event, FX Disruption Event, or early redemption for unlawfulness or impracticability*).

Hedging arrangements are the transactions (if any) entered into by the Issuer or one or more of its Affiliates to seek to cover the Issuer's exposure to the relevant cash amounts to be paid or assets to be delivered under the Securities as these fall due. This may involve investing directly in the Underlying Asset(s) or entering into derivative contracts referencing the Underlying Asset(s) or other techniques. The particular hedging arrangements (if any) undertaken by the Issuer, and their cost, will likely be a significant determinant of the issue price and/or economic terms of the

Securities. Accordingly, if an event occurs which negatively impacts the Issuer's hedging arrangements, the Issuer or the Determination Agent on the Issuer's behalf may have options available to it under the terms and conditions of the Securities which it may select in its discretion in order to deal with the impact of the event on the Issuer's hedging arrangements. These options may include adjustment of the terms and conditions of the Securities or early redemption of the Securities. In the event of early redemption, the early redemption amount you will receive will be equal to the fair market value of your Securities prior to redemption less, except where the Final Terms provides that 'Unwind Costs' is not applicable, costs associated with the Issuer's hedging arrangements. **This amount may be less than your original investment and, therefore, you could lose some or all of your money.** See risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*).

**15. Risks associated with the reform of LIBOR, EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index '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 to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to a 'benchmark'.

Key international proposals for reform of 'benchmarks' include IOSCO's Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the European Commission's proposed regulation on indices used as 'benchmarks' in certain financial instruments, financial contracts and investment funds (September 2013) (the "**Proposed Benchmark Regulation**").

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

The Proposed Benchmark Regulation is still being negotiated between the relevant European authorities, but the European Commission expects a final agreement by the summer of 2015 and it is therefore likely to become effective in the autumn of 2016. If passed in its current form (as appears likely), the Proposed Benchmark Regulation would apply to 'contributors', 'administrators' and '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) ban the use of 'benchmarks' of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called 'critical benchmark' indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including 'proprietary' indices or strategies) which are referenced in listed financial instruments (including listed Securities), financial contracts and investment funds.

If passed in its current form, the Proposed Benchmark Regulation could have a material impact on any listed Securities linked to a 'benchmark' index, including in any of the following circumstances:

- an index which is a 'benchmark' could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the

particular 'benchmark' and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed or otherwise impacted; 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, and could lead to adjustments to the terms of the Securities including Determination Agent determination of the rate or level in its discretion.

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, in the UK, the national government has recently extended the legislation originally put in place to cover LIBOR to regulate the following additional major UK-based financial benchmarks in the fixed income, commodity and currency markets:

- ISDAFIX (now ICE Swap Rate), which is the principal global benchmark for swap rates and spreads for interest rate swap transactions
- London Gold Fixing (now LBMA Gold Price) and the London Silver Fixing (now LBMA Silver Price), which determine the price of gold and silver in the London market
- ICE Brent Index, traded on the ICE Futures Europe (IFEU) exchange, which acts as the crude oil futures market's principal financial benchmark
- WM/Reuters London 4:00p.m. Closing Spot Rate, which is the dominant global foreign exchange benchmark
- SONIA (Sterling Overnight Index Average) and RONIA (Repurchase Overnight Index Average), which both serve as reference rates for overnight index swaps

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of 'benchmarks' could increase the costs and risks of administering or otherwise participating in the setting of a 'benchmark' and complying with any such regulations or 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'. The disappearance of a 'benchmark' or changes in the manner of administration of a 'benchmark' could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Determination Agent, delisting or other consequence in relation to Securities linked to such 'benchmark'. Any such consequence could have a material adverse effect on the value of and return on any such Securities.

## 16. Risks associated with taxation

### 16.1 General

Investors should be aware that duties and other taxes and/or expenses, including any applicable depositary charges, transaction charges, stamp duty and other charges, may be levied in accordance with the laws and practices in the countries where the Securities are transferred and that it is the obligation of an investor to pay all such taxes and/or expenses.

All payments made under the Securities shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, save in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted, and such event will allow the Issuer to redeem them early as this would be an Issuer Tax Event which is an Additional Disruption Event. In no event will additional amounts be payable in respect of FATCA (as defined below) or any US withholding tax, including without limitation, in



respect of dividends, dividend equivalent payments, and direct and indirect interests in US real property.

## 16.2 Change in tax law

You should be aware that tax regulations and their application by the relevant taxation authorities are subject to change and differing interpretations, possibly with retrospective effect, and this could negatively affect the value of the Securities. Any such change may cause the tax treatment of the Securities to change from the tax position at the time of purchase and may cause the statements in this Base Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Securities. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to amend the terms and conditions of the Securities, or redeem the Securities.

## 16.3 US foreign account tax compliance withholding

Under FATCA (as defined below) the Issuer (and any intermediary in the chain of payment) may require each holder of a Security to provide certifications and identifying information about itself and certain of its owners. The failure to provide such information, or the failure of certain non-US financial institutions to comply with FATCA, may compel the Issuer (or an intermediary) to withhold a 30 per cent tax on payments (including redemption payments and gross proceeds) to such holders and neither the Issuer nor any other person will pay any additional amounts with respect to such withholding. Any such withholding would not begin earlier than 1 January 2017 except in the case of US-source payments, which generally should be limited to dividend equivalent payments and interests in 'US real property interests' (although there can be no assurance the IRS may not seek to treat other payments that reference US securities as US source income). "FATCA" means sections 1471 through 1474 of the US Internal Revenue Code, any final current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any US or non-US fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with either the implementation of such sections of the Code.

The Issuer will not make any additional payments to holders of Securities to compensate them for any taxes withheld in respect of FATCA or any US withholding tax, including without limitation, in respect of dividends, dividend equivalent payments, and direct and indirect interests in US real property.

## 16.4 You may be subject to withholding on dividend equivalent payments and interests in 'US real property interests'

If the amount that is payable on a Security is determined by reference to dividends that are paid or declared with respect to a US stock, it is possible that the IRS could assert that investors should be subject to US withholding tax in respect of such dividends. Similarly, in the case of Securities that are linked to one or more assets characterised as 'US real property interests' (as such term is defined in section 897(c) of the Code), non-US holders may be subject to special rules governing the ownership and disposition of US real property interests. Prospective non-US holders should consult their own tax advisors regarding the possible alternative treatments of the Securities.

In addition, proposed regulations under section 871(m) of the Code, if finalised in their current form, could possibly require the Issuer to treat all or a portion of any payment in respect of Securities that reference US equities as a 'dividend equivalent' payment that is subject to withholding tax at a rate of 30 per cent (or a lower rate under an applicable treaty). This treatment could apply even if payments on the Securities that reference US equities do not specifically reference dividends.

The Issuer will not make any additional payments to holders of Securities to compensate them for any taxes withheld in respect of FATCA or any US withholding tax, including

without limitation, in respect of dividends, dividend equivalent payments, and direct and indirect interests in US real property.

If any amount were to be deducted or withheld from payments on the Securities as a result of the above, your return on the Securities may be significantly less than expected.

#### 16.5 Proposed Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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 to certain dealings in the Securities 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 which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope and implementation of any such tax is uncertain. Additional EU member states may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

#### 16.6 EU Savings Directive

Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires EU member states to provide to the tax authorities of other EU member states details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident, or certain other types of entity established, in that other EU member state, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. EU member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings 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 an EU 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.

The Organisation for Economic Co-operation and Development ("**OECD**") has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Common Reporting Standard**"), which calls on governments to obtain detailed account information from their financial institutions

and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted the revised Council Directive on Administrative Cooperation 2011/16/EU (the "**DAC**") (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard. EU member states are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the DAC by 31 December 2015. They are required to apply these provisions from 1 January 2016 and to start the automatic exchange of information no later than end of September 2017.

Therefore, the European Commission has proposed the repeal of the EU Savings Directive no later than 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other member states (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and the DAC (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, member states will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through an EU 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 pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent with a specified office in an EU member state that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, which may mitigate an element of this risk if you are able to arrange for payment through such a Paying Agent. However, you should choose your custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

If you are in any doubt as to your position, you should consult your professional advisers.

#### 17. **Risks associated with the ability to enforce under the Securities**

Following an event of default by the Issuer (such as a failure to pay interest or return capital, or, if the Issuer is subject to a winding-up order), including expiry of an applicable grace period, you may (i) determine to keep your Securities outstanding (in which case, the market value of those Securities may decline significantly) or (ii) by giving notice to the Issuer and (if not a CREST Security) the Issue and Paying Agent (and through the Representative of the Holders for certain French Securities) require immediate redemption of your Securities at the early cash settlement amount. **This amount may be less than your original investment and, therefore, you could lose some or all of your money.** See also risk factor 8.1 (*If your Securities are redeemed early, you may suffer potential loss of some or all of your investment, loss of opportunity and reinvestment risk*).

See also risk factor 9.8 (*There are risks where your Securities are Book-Entry Securities*).

#### 18. **Risks associated with conflicts of interest**

##### 18.1 **As Issuer or as Determination Agent, Barclays has certain discretionary powers under the terms and conditions of the Securities that it could exercise in a way which is contrary to the interests of Holders**

See risk factor 14 (*Risks associated with discretionary powers of the Issuer and the Determination Agent, including in relation to the Issuer's hedging arrangements*).

**18.2 Trading and other transactions by the Issuer or its Affiliates could affect the levels, values or prices of Underlying Asset(s) and their components**

In connection with Barclays' normal business practices or in connection with hedging its obligations under the Securities, Barclays may from time to time buy or sell the Underlying Asset(s) and its or their components, or similar instruments, or derivative instruments relating to the Underlying Asset(s) or its or their components. These trading activities may present a conflict of interest between your interest in the Securities and the interests which Barclays may have in its proprietary accounts, in facilitating transactions, including block trades, for Barclays' other customers and in accounts under management. These trading activities also could affect the levels, values or prices of the Underlying Asset(s) in a manner that would decrease the market value of the Securities prior to maturity, or the amount you would receive at maturity or at the payment or settlement date. To the extent that Barclays has a hedge position in the Underlying Asset(s) or its or their components, or in a derivative or synthetic instrument related to the Underlying Asset(s) or its or their components, Barclays may increase or liquidate a portion of those holdings at any time before, during or after the term of the Securities. This activity may affect the amount payable at maturity, any amount of money or property payable or deliverable at the payment or settlement date, or the market value of the Securities in a manner that would be adverse to your investment in the Securities. Depending on, among other things, future market conditions, the aggregate amount and the composition of those hedge positions are likely to vary over time. In addition, Barclays may purchase or otherwise acquire a long or short position in the Securities. Barclays may hold or resell any such position in the Securities.

**18.3 Research reports and other transactions may create conflicts of interest between you and Barclays**

Barclays may have previously published, and may in the future publish, research reports relating to the Underlying Asset(s) or its or their components. The views expressed in this research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Securities. Any of these activities may affect the levels, values or prices of the Underlying Asset(s) or its or their components and, therefore, the market value of the Securities. Moreover, other professionals who deal in these markets may at any time have views that differ significantly from Barclays. In connection with your purchase of the Securities, you should investigate the Underlying Asset(s) and not rely on Barclays' views with respect to future movements in the Underlying Asset(s) and its or their components.

Barclays also may issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns indexed to the Underlying Asset(s). By introducing competing products into the marketplace in this manner, Barclays could adversely affect the market value of the Securities.

**18.4 Barclays may have confidential information relating to the Underlying Asset(s) or components**

Barclays, at present or in the future, may engage in business relating to the person or organisation responsible for calculating, publishing or maintaining the Underlying Asset(s), referred to as the 'sponsor' of the Underlying Asset(s). In addition, Barclays may engage in business relating to any components of the Underlying Asset(s), including making loans to, equity investments in, or providing investment banking, asset management or other advisory services to the respective sponsor or issuer. In connection with these activities, Barclays may receive information pertinent to the Underlying Asset(s) or its or their components that Barclays will not divulge to you.

**18.5 Distributor(s) and conflicts of interest**

Potential conflicts of interest may arise in relation to Securities offered through distribution, as the appointed manager(s) and/or distributor(s) will act pursuant to a mandate granted by the Issuer and may (to the extent permitted by law) receive commissions and/or fees on the basis of the services performed and the outcome of the placement of the Securities.

**INFORMATION INCORPORATED BY REFERENCE**

The information set out under 2. (*Information incorporated by reference*) below contained in the documents set out under 1. (*Source documents*) below has been filed with the FCA and shall be incorporated in, and form part of, this Base Prospectus.

**1. Source documents**

- (a) the Registration Document dated 2 June 2015 (the "**Registration Document**") and approved by the United Kingdom Financial Conduct Authority (the "**FCA**") in its capacity as competent authority in the United Kingdom (the "**UK Listing Authority**");
- (b) the sections set out below from the GSSP Base Prospectus 2 dated 6 June 2014 (the "**2014 GSSP Base Prospectus 2**");
- (c) the sections set out below from the GSSP Base Prospectus 2 dated 10 June 2013 (the "**2013 GSSP Base Prospectus 2**");
- (d) the sections set out below from the GSSP Base Prospectus 7 dated 14 June 2013 (the "**2013 GSSP Base Prospectus 7**");
- (e) the Joint Annual Report of Barclays PLC and the Issuer, as filed with the US Securities and Exchange Commission ("**SEC**") on Form 20-F on 3 March 2015 in respect of the years ended 31 December 2013 and 31 December 2014 ("**Joint Annual Report**");
- (f) the Annual Reports of the Issuer containing the audited consolidated financial statements of the Issuer in respect of the years ended 31 December 2013 (the "**2013 Issuer Annual Report**") and 31 December 2014 (the "**2014 Issuer Annual Report**"), respectively;
- (g) the unaudited Q1 2015 Results Announcement as filed with the SEC on Form 6-K on 29 April 2015 in respect of the three months ended 31 March 2015 in respect of the Issuer and Barclays PLC (the "**Q1 2015 Results Announcement**"); and
- (h) the announcement of the Issuer and Barclays PLC as filed with the SEC on Form 6-K on 20 May 2015 in respect of the foreign exchange and ISDAFix settlements (the "**May 2015 Announcement**").

**2. Information incorporated by reference**

The information specified in the table below is incorporated into this Base Prospectus by reference. Any information contained in any of the documents specified in 1. (*Source documents*) above which is not listed in the cross-reference lists below is not incorporated by reference in the Base Prospectus and is either not relevant for investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in the Base Prospectus. Any documents incorporated by reference into the above documents shall not thereby be deemed to have been incorporated by reference into this Base Prospectus.

***From the Registration Document***

Risk Factors	Pages 5 to 18
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***From the 2014 GSSP Base Prospectus 2***

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Pro Forma Final Terms (the " <b>2014 GSSP Base Prospectus 2 Pro Forma Final Terms</b> ")*	Pages 231 to 249

***From the 2013 GSSP Base Prospectus 2***

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Pro Forma Final Terms (the "2013 GSSP Base Prospectus 2 Pro Forma Final Terms")*	Pages 203 to 217
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\*Save as provided in the paragraph entitled '*Fungible issuances*' of the section of this Base Prospectus below entitled '*Important Legal Information*'.

The above documents may be inspected: (i) during normal business hours at the registered office of the Issuer; (ii) at <http://www.barclays.com/barclays-investor-relations/results-and-reports/results.html> and <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> (as

applicable); and (iii) at the specified office of the Issue and Paying Agent as described in the section entitled '*General Information*' below.



## HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

**THE WORKED EXAMPLES PRESENTED BELOW ARE HYPOTHETICAL SCENARIOS WHICH ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING TERMS. THE EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE SECURITIES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR SECURITIES AS SET OUT IN SECTION C: INTEREST, AUTOMATIC REDEMPTION (AUTOCALL), FINAL REDEMPTION AND NOMINAL CALL EVENT OF THE 'TERMS AND CONDITIONS' SECTION OF THIS BASE PROSPECTUS.**

**Interest:** For worked examples showing how the type of interest specified to apply to your Securities is calculated, please see the following:

- Fixed interest ..... page 74
- Floating rate interest ..... page 75
- Snowball interest ..... page 77
- Phoenix without memory interest ..... page 79
- Phoenix with memory interest ..... page 81
- Phoenix One Touch – Daily interest ..... page 83
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- Range Accrual interest ..... page 91
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**Automatic redemption (autocall) following an Automatic Redemption (Autocall) Event':** All Securities issued under this Base Prospectus for which the Final Terms specifies 'Automatic Redemption (Autocall)' to be 'Applicable' will redeem early upon the occurrence of an Automatic Redemption (Autocall) Event (also called an 'autocall event'), following which the nominal amount (or 'face value') of the Securities will be paid to the holder. See page 95.

**Final redemption:** For worked examples showing how the type of redemption specified to apply to your Securities is calculated, please see the following:

- Vanilla Barrier redemption ..... page 96
- European Barrier redemption ..... page 98
- American Barrier redemption ..... page 100
- Call redemption ..... page 103
- Bull-Bear – European Barrier redemption ..... page 106
- Bull-Bear – American Barrier redemption ..... page 109
- Put Spread redemption ..... page 113

**Types of Securities:** each Series issued under this Base Prospectus will have one of the above types of interests and one of the above types of final redemption. For example, a Series may be structured as 'Fixed' interest with 'Vanilla Barrier' redemption or alternatively 'Snowball' interest with 'European Barrier', etc.

### Key terminology and assumptions

**Key terminology for each of the worked examples below:**

- **Calculation Amount:** all amounts of interest or redemption payable under the Securities are calculated by reference to a Calculation Amount which is assumed to be GBP 1,000 in the worked examples. Each Security of a particular series will have the same Calculation Amount.
- **Underlying asset(s):** The 'underlying asset(s)' referred to in these worked examples will be one or more equity indices, shares, depositary receipts or funds (as specified in the Final Terms).
- **Initial price of an underlying asset:** the 'initial price' of an underlying asset reflects the price or level of the underlying asset near the issue date of the Securities and is used as the reference point

for determining the performance of your investment. The 'initial price' may be determined in several ways:

- (i) it may be specified in the Final Terms;
  - (ii) it may be determined on a particular date (which will be specified in the Final Terms); or
  - (iii) it may be determined on the basis of several days' worth of specific prices (for example, by taking the average, or the highest or lowest of those prices).
- **Final valuation price of an underlying asset:** the 'final valuation price' of an underlying asset reflects the price or level of the underlying asset near the final redemption date of the Securities. Like the 'initial price', the 'final valuation price' may be determined in several ways:
    - (i) it may be determined on a particular date (which will be specified in the Final Terms); or
    - (ii) it may be determined on the basis of several days' worth of specific prices (for example, by taking the average of those prices, or the highest or lowest of those prices).
  - **Closing price or level of an underlying asset:** the closing price or level of an asset is the price or level of that asset at the end of a relevant trading day.
  - **Barrier:** a barrier is a threshold price or level which is used to determine: (i) whether or not interest on certain types of Securities will be payable; (ii) whether or not securities will be automatically redeemed early; and/or (iii) the redemption amount payable upon final redemption of the Securities.

For example, where applicable, the price or level of the underlying asset(s) must be at or above the relevant interest barrier on the relevant date(s) in order for interest to be payable.

- **Single Asset or Worst-of:** Securities may be linked to a single underlying asset or multiple underlying assets (which may be one or more shares, depository receipts, funds, equity indices, or a mixture).

If there are multiple underlying assets, investors are exposed to the performance of every underlying asset and, in particular, to the worst-performing underlying asset. The performance of an asset is determined by dividing its final valuation price by its initial price. The asset with the lowest performance will be the 'worst-performing underlying asset'.

**Key assumptions made for each of the worked examples below:**

- the Calculation Amount of each Security is GBP 1,000;
- you hold one note (with a Specified Denomination (or 'face value') of GBP 1,000 and a Calculation Amount of GBP 1,000);
- the Settlement Currency is GBP, so interest and redemption payments will be in GBP; and
- the Securities are not redeemed or purchased and cancelled prior to the relevant interest payment date or redemption date (as applicable) and no relevant disruption event occurs.

**Fixed interest**

*Fixed interest products pay a periodic and predetermined fixed rate of interest over the life of the product.*

***Interest calculation:***

- (i) If the Final Terms specifies the 'Fixed Interest Type' to be 'Fixed Amount', on each interest payment date you will receive an amount calculated by multiplying the relevant fixed interest rate by the Calculation Amount.

- (ii) If the Final Terms specifies the 'Fixed Interest Type' to be 'Per Annum', on each interest payment date you will receive an amount calculated by multiplying the relevant fixed interest rate by the Calculation Amount and further multiplying by the applicable day count fraction.

The day count fraction, if applicable, represents the number of days in the relevant interest calculation period. For example, if the interest calculation period contains 181 days and the day count fraction 'rule' is Actual/365 (Fixed), the day count fraction will be calculated as 181/365.

***Impact of an Automatic Redemption (Autocall) Event:***

*If the Securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

**WORKED EXAMPLE 1**

**Assumptions:**

- the Final Terms specifies the 'Fixed Interest Type' to be 'Fixed Amount';
- the fixed interest rate is 4 per cent (4%) (per interest calculation period); and
- there are two interest payment dates in each year over the life of the Securities.

**Interest amount payable:**

The interest payable amount on each interest payment date will be GBP 40.

This figure is calculated as the fixed interest rate of 4% multiplied by the Calculation Amount of GBP 1,000 (i.e.  $4\% \times \text{GBP } 1,000$ ).

**WORKED EXAMPLE 2**

**Assumptions:**

- the Final Terms specifies the 'Fixed Interest Type' to be 'Per Annum';
- the fixed interest rate is 4 per cent (4%) (per interest calculation period);
- the day count fraction is 'Actual/365 (Fixed)', being the actual number of calendar days in the interest calculation period, divided by 365 days; and
- the actual number of calendar days in the interest calculation period is 181.

**Interest amount payable:**

The interest payable amount on each interest payment date will be GBP 19.84 (rounded to two decimal places).

This figure is calculated as the fixed interest rate of 4% multiplied by the Calculation Amount of GBP 1,000 and further multiplied by the day count fraction of 181/365 (i.e.  $4\% \times \text{GBP } 1,000 \times 181/365 = 19.84$ ).

**Floating rate interest**

*Floating rate interest products pay a variable amount of interest on each interest payment date.*

*The rate of interest for each interest calculation period will be determined on the basis of a particular 'floating rate', which will be one of the following:*

- (a) *a rate (or the mean of several rates) which appear(s) on a particular screen page of an information services provider (e.g. Bloomberg or Reuters) on or around the date when interest is calculated;*

- (b) a swap rate for swap transactions in the specified currency with a designated maturity which appears on a particular screen page on or around the date when interest is calculated; or
- (c) the most recently published Bank of England rate for short-term deposits which is published by Reuters on the relevant screen page on the relevant interest determination date.

The relevant floating rate is determined on a fixed date in relation to an interest calculation period and is fixed for the duration of that period. This rate determines how much interest is paid on the interest payment date at the end of that interest calculation period. The floating rate is then recalculated in the same manner for the next interest calculation period.

This floating rate is added to a Margin (which, if applicable, will be a percentage specified in the Final Terms) to provide the applicable 'rate of interest'. For example, if the Margin is 1% and the floating rate for a particular interest calculation period is 5%, the rate of interest will be 6%.

This resulting rate of interest may be subject to a maximum or minimum rate of interest, if specified in the Final Terms.

**Interest calculation:**

On each interest payment date, you will receive an interest amount calculated by:

- (a) adding any specified Margin to the floating rate for the particular interest calculation period (determined as above), which will be subject to any specified maximum or minimum rate of interest; and then
- (b) multiplying the result of (a) above by the Calculation Amount and then by the applicable day count fraction.

The day count fraction represents the number of days in the relevant interest calculation period. For example, if the interest calculation period contains 181 days and the day count fraction 'rule' is Actual/365 (Fixed), the day count fraction will be calculated as 181/365.

**WORKED EXAMPLE**

**Assumptions:**

- the floating rate is six-month GBP LIBOR displayed on the corresponding page of the Reuters Screen Page;
- the margin (used to upsize or downsize the floating rate) is plus 1.00%;
- the rate of interest is subject to a minimum rate of 0% and a maximum rate of 7% per annum;
- the day count fraction is 'Actual/365 (Fixed)', being the actual number of calendar days in the interest calculation period, divided by 365 days; and
- the actual number of calendar days in the interest calculation period is 181.

**Interest amount payable:**

- (a) if the floating rate for a given interest calculation period is set at 2.6% per annum:

The interest amount payable on the interest payment date will be equal to GBP 17.85 (rounded to two decimal places).

This figure is calculated as  $\text{GBP } 1,000 \times \text{rate of interest of } 3.6\% \times \text{day count fraction of } 181/365$  (i.e.  $\text{GBP } 1,000 \times 3.6\% \times 181/365 = \text{GBP } 17.85$ ). The rate of interest (3.6%) is calculated as the floating rate of 2.6% + Margin of 1.00%. It is not affected by the minimum or maximum rate of interest; **OR**

- (b) if the floating rate for a given interest calculation period is set at 6.5% per annum:

The interest amount payable on the interest payment date will be equal to GBP 34.71 (rounded to two decimal places).

This figure is calculated as  $\text{GBP } 1,000 \times \text{rate of interest } 7\% \times \text{day count fraction of } 181/365$  (i.e.  $\text{GBP } 1,000 \times 7\% \times 181/365 = \text{GBP } 34.71$ ). The maximum rate of interest (7%) is used because the sum of the floating rate (6.5%) and the Margin (being 1%) is 7.5%, which is greater than the maximum rate of interest of 7%. In this scenario the rate of interest is capped at 7%.

### **Snowball interest**

#### ***Interest calculation:***

*Snowball interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*Interest is payable if the closing price or level of the underlying asset(s) on the date on which interest is calculated (the 'interest valuation date') is/are at or above the corresponding interest threshold(s) (each threshold, an 'interest barrier').*

*If this occurs, the amount of interest you will receive is calculated by:*

- (1) multiplying the fixed interest rate by the Calculation Amount; and then*
- (2) multiplying the result of step (1) by the number corresponding to the interest valuation date on which the threshold test is satisfied (which will be specified in the Final Terms).*

*You will receive this amount on the interest payment date corresponding to the interest valuation date when the threshold test is satisfied.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*An interest barrier will always be the same as the corresponding 'autocall barrier', which is a threshold price or level that determines whether or not the Securities will be automatically redeemed early (an Automatic Redemption (Autocall) Event). If an Automatic Redemption (Autocall) Event occurs, each Security will be redeemed at an amount equal to the Calculation Amount.*

*This means that, if the interest becomes payable, the Securities will be automatically redeemed at the same time as the relevant interest amount is paid to you.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 110% of the initial price of the underlying asset (i.e. GBP 11);
- the fixed interest rate is 6% (per interest calculation period);
- there is one interest valuation date and one interest payment date in each year; and
- the 'number' corresponding to the first interest valuation date is 1 and the 'number' corresponding to the second interest valuation date is 2.

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as 1 (i.e. the number corresponding to the first interest valuation date)  $\times$  the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000. As the interest barrier is always equal to the autocall barrier, this means that each Security will redeem at the same time as interest is paid and no further interest will be paid in respect of the Securities; **OR**

- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 11) on the first interest valuation date, no interest will be paid on the first interest payment date and the Securities will not be redeemed early.
- (b) **Second (and final) interest payment date (in year 2) assuming that no interest amount was paid on the first interest payment date (as described in (a)(ii) above):**
- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 120. This figure is calculated as 2 (i.e. the number corresponding to the second interest valuation date)  $\times$  the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000; **OR**
  - (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 11) on the second interest valuation date, no interest amount will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON AN INTEREST VALUATION DATE, NO INTEREST WILL BE PAID IN RESPECT OF THAT INTEREST CALCULATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON EACH INTEREST VALUATION DATE, NO INTEREST WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE CLOSING PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING INTEREST BARRIER ON THE RELEVANT INTEREST VALUATION DATE IN ORDER FOR INTEREST TO BE PAYABLE.**

### **Phoenix without memory interest**

#### ***Interest calculation:***

*Phoenix without memory interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*Interest is payable if the closing price or level of the underlying asset(s) on the date on which interest is calculated (the 'interest valuation date') is/are at or above the corresponding interest threshold(s) (each threshold, an 'interest barrier').*

*If this occurs, the amount of interest that you will receive in respect of that interest valuation date is calculated by multiplying the fixed interest rate by the Calculation Amount.*

*You will receive this amount either: (a) on a specific interest payment date set out in the Final Terms; or (b) if the Interest Payment Date is specified to be 'Actual Redemption Date' in the Final Terms, on the date on which the Securities are redeemed.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 90% of the initial price of the underlying asset (i.e. GBP 9);
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest valuation date and one interest payment date in each year (and the interest payment date is not specified to be 'Actual Redemption Date').

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 9) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**

- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 9) on the first interest valuation date, no interest will be paid on the first interest payment date.

##### **(b) Second (and final) interest payment date (in year 2):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 9) on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**

- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 9) on the second interest valuation date, no interest amount will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON AN INTEREST VALUATION DATE, NO INTEREST WILL BE PAID IN RESPECT OF THAT INTEREST CALCULATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON EACH INTEREST VALUATION DATE, NO INTEREST WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE CLOSING PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING INTEREST BARRIER ON THE RELEVANT INTEREST VALUATION DATE IN ORDER FOR INTEREST TO BE PAYABLE.**



### **Phoenix with memory interest**

#### ***Interest calculation:***

*Phoenix with memory interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*Interest is payable if the closing price or level of the underlying asset(s) on the date on which interest is calculated (the 'interest valuation date') is/are at or above the corresponding interest threshold(s) (each threshold, an 'interest barrier').*

*If this occurs, the amount of interest that you will receive in respect of that interest valuation date is calculated by adding the sum of (1) and (2) below:*

- (1) the fixed interest rate multiplied by the Calculation Amount; and*
- (2) the number of previous interest valuation dates in respect of which no interest was payable (since the last time interest was payable) multiplied by the fixed interest rate and then multiplied by the Calculation Amount.*

*You will receive this amount either: (a) on a specific interest payment date set out in the Final Terms; or (b) if the Interest Payment Date is specified to be 'Actual Redemption Date' in the Final Terms, on the date on which the Securities are redeemed.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early, i.e. an Automatic Redemption (Autocall) Event occurs, no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 90% of the initial price of the underlying asset (i.e. GBP 9);
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest valuation date and one interest payment date in each year (and the interest payment date is not specified to be 'Actual Redemption Date').

#### **Interest amount payable:**

##### **(a) First interest valuation date (in year 1):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 9) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as:

- the fixed interest rate of 6% × the Calculation Amount of GBP 1,000, PLUS
- 0 (i.e. the number of previous interest valuation dates in respect of which no interest was payable) × the fixed interest rate of 6% × the Calculation Amount of GBP 1,000.

**OR**

- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 9) on the first interest valuation date, no interest will be paid on the first interest payment date.

**(b) Second (and final) interest valuation date (in year 2), assuming that no interest amount was paid on the first interest payment date (as described in (a)(ii) above):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 9) on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 120.

This figure is calculated as:

- the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000, PLUS
- 1 (i.e. the number of previous interest valuation dates in respect of which no interest was payable)  $\times$  the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000.

**OR**

- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 9) on the second interest valuation date, no interest amount will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON AN INTEREST VALUATION DATE, NO INTEREST WILL BE PAID IN RESPECT OF THAT INTEREST CALCULATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON EACH INTEREST VALUATION DATE, NO INTEREST WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE CLOSING PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING INTEREST BARRIER ON AT LEAST ONE INTEREST VALUATION DATE IN ORDER FOR INTEREST TO BE PAYABLE.**

### **Phoenix One Touch – Daily interest**

#### ***Interest calculation:***

*Phoenix One Touch – Daily interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*The performance of the underlying asset(s) is considered on multiple 'observation dates', which are simply a given set of dates that will be specified in the Final Terms.*

*Interest is payable if the closing price or level of the underlying asset(s) on at least one observation date during a particular period of time (an 'observation period') is/are at or above the corresponding interest threshold(s) (each threshold, an 'interest barrier').*

*If this occurs, the amount of interest you will receive is calculated by multiplying the fixed interest rate by the Calculation Amount. You will receive this amount on the interest payment date corresponding to the observation period when the threshold test is satisfied.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 110% of the initial price of the underlying asset (i.e. GBP 11);
- there is one interest observation period in each year (each of which lasts for a full year) and every scheduled trading day in an observation period is an observation date;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest payment date in each year.

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) on any one or more observation dates during the first interest observation period, the interest amount payable on the first interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 11) on every observation date during the first interest observation period, no interest will be paid on the first interest payment date.

##### **(b) Second (and final) interest payment date (in year 2):**

- (i) if the closing price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) on any one or more observation dates during the second interest observation period, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the closing price or level of the underlying asset is below the interest barrier (i.e. GBP 11) on every observation date during the second interest observation period, no interest will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON EVERY OBSERVATION DATE DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST OBSERVATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON EVERY OBSERVATION DATE DURING EACH INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE CLOSING PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING INTEREST BARRIER ON AT LEAST ONE OBSERVATION DATE DURING THE RELEVANT INTEREST OBSERVATION PERIOD IN ORDER FOR INTEREST TO BE PAYABLE.**

**Phoenix One Touch – Continuous interest**

***Interest calculation:***

*Phoenix One Touch – Continuous interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*The performance of the underlying asset(s) is considered on multiple 'observation dates', which are simply a given set of dates that will be specified in the Final Terms.*

*Interest is payable if the market price or level of the underlying asset(s) at any time on at least one observation date during a particular period of time (an 'observation period') is/are at or above the corresponding interest threshold(s) (each threshold, an 'interest barrier').*

*If this occurs, the amount of interest you will receive is calculated by multiplying the fixed interest rate by the Calculation Amount. You will receive this amount on the interest payment date corresponding to the observation period when the threshold test is satisfied.*

***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

**WORKED EXAMPLE**

**Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 110% of the initial price of the underlying asset (i.e. GBP 11);
- there is one interest observation period in each year (each of which lasts for a full year) and every scheduled trading day in an observation period is an observation date;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest payment date in each year.

**Interest amount payable:**

**(a) First interest payment date (in year 1):**

- (i) if the market price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) at any time on any one or more observation dates during the first interest observation period, the interest amount payable on the first interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the market price or level of the underlying asset is below the interest barrier (i.e. GBP 11) at all times on every observation date during the first interest observation period, no interest will be paid on the first interest payment date.

**(b) Second (and final) interest payment date (in year 2):**

- (i) if the market price or level of the underlying asset is at or above the interest barrier (i.e. GBP 11) at any time on any one or more observation dates during the second interest observation period, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the market price or level of the underlying asset is below the interest barrier (i.e. GBP 11) at all times on every observation date during the second interest observation period, no interest will be paid on the second interest payment date.

**IF THE MARKET PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER AT ALL TIMES ON EVERY OBSERVATION DATE DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST OBSERVATION PERIOD. IF THE MARKET PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER AT ALL TIMES ON EVERY OBSERVATION DATE DURING EACH INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE MARKET PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING INTEREST BARRIER AT LEAST ONCE DURING THE RELEVANT INTEREST OBSERVATION PERIOD IN ORDER FOR INTEREST TO BE PAYABLE.**

### **Phoenix No Touch – Daily interest**

#### ***Interest calculation:***

*Phoenix No Touch – Daily interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*The performance of the underlying asset(s) is considered on every 'scheduled trading day' over the life of the securities. A scheduled trading day is a day on which the exchange(s) on which an underlying asset is quoted or traded is/are scheduled to be open for trading.*

*Interest is payable if the closing price or level of the underlying asset(s) does not drop below the corresponding interest threshold(s) on any scheduled trading day during a particular period of time (an 'observation period').*

*Provided that this does not occur, the amount of interest you will receive is calculated by multiplying the fixed interest rate by the Calculation Amount. You will receive this amount on the interest payment date corresponding to that observation period.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 90% of the initial price of the underlying asset (i.e. GBP 9);
- there is one interest observation period in each year (each of which lasts for a full year) and the closing price or level of the underlying asset is observed on every scheduled trading day in the observation period;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest payment date in each year.

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the closing price or level of the underlying asset does not drop below the interest barrier (i.e. GBP 9) on any scheduled trading day during the first interest observation period, the interest amount payable on the first interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the closing price or level of the underlying asset does drop below the interest barrier (i.e. GBP 9) on any scheduled trading day during the first interest observation period, no interest will be paid on the first interest payment date.

##### **(b) Second (and final) interest payment date (in year 2):**

- (i) if the closing price or level of the underlying asset does not drop below the interest barrier (i.e. GBP 9) on any scheduled trading day during the second interest observation period, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the closing price or level of the underlying asset does drop below the interest barrier (i.e. GBP 9) on any scheduled trading day during the second interest observation period, no interest will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER ON ANY SCHEDULED TRADING DAY DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST OBSERVATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET DROPS BELOW THE CORRESPONDING INTEREST BARRIER DURING EACH INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF' AND THE CLOSING PRICE OR LEVEL OF ANY UNDERLYING ASSET DROPS BELOW ITS CORRESPONDING INTEREST BARRIER ON ANY SCHEDULED TRADING DAY DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST WILL BE PAYABLE.**



### **Phoenix No Touch – Continuous interest**

#### ***Interest calculation:***

*Phoenix No Touch – Continuous interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*The performance of the underlying asset(s) is considered on every 'scheduled trading day' over the life of the securities. A scheduled trading day is a day on which the exchange(s) on which an underlying asset is quoted or traded is/are scheduled to be open for trading.*

*Interest is payable if the market price or level of the underlying asset(s) does not drop below the corresponding interest threshold(s) at any time on any scheduled trading day during a particular period of time (an 'observation period').*

*Provided that this does not occur, the amount of interest you will receive is calculated by multiplying the fixed interest rate by the Calculation Amount. You will receive this amount on the interest payment date corresponding to that observation period.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the interest barrier in respect of each interest valuation date is 90% of the initial price of the underlying asset (i.e. GBP 9);
- there is one interest observation period in each year (each of which lasts for a full year) and the closing price or level of the underlying asset is observed on every scheduled trading day in the observation period;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest payment date in each year.

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the market price or level of the underlying asset does not drop below the interest barrier (i.e. GBP 9) at any time on any scheduled trading day during the first interest observation period, the interest amount payable on the first interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the market price or level of the underlying asset does drop below the interest barrier (i.e. GBP 9) at any time on any scheduled trading day during the first interest observation period, no interest will be paid on the first interest payment date.

##### **(b) Second (and final) interest payment date (in year 2):**

- (i) if the closing price or level of the underlying asset does not drop below the interest barrier (i.e. GBP 9) at any time on any scheduled trading day during the second interest observation period, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**
- (ii) if the market price or level of the underlying asset does drop below the interest barrier (i.e. GBP 9) at any time on any scheduled trading day during the second interest observation period, no interest will be paid on the second interest payment date.

**IF THE MARKET PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING INTEREST BARRIER AT ANY TIME ON ANY SCHEDULED TRADING DAY DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST OBSERVATION PERIOD. IF THE MARKET PRICE OR LEVEL OF THE UNDERLYING ASSET DROPS BELOW THE CORRESPONDING INTEREST BARRIER DURING EACH INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF' AND THE MARKET PRICE OR LEVEL OF ANY UNDERLYING ASSET DROPS BELOW ITS CORRESPONDING INTEREST BARRIER ON ANY SCHEDULED TRADING DAY DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST WILL BE PAYABLE.**

### **Range Accrual interest**

#### ***Interest calculation:***

Range accrual interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.

The performance of the underlying asset(s) is considered on multiple 'observation dates', which are simply a given set of dates that will be specified in the Final Terms.

Interest is payable depending on the number of specific dates during a particular period of time (an 'observation period') that the closing price or level of the underlying asset(s) is/are:

- (a) at or above the corresponding lower interest threshold(s) (each, a 'lower barrier'); and
- (b) if 'upper barrier' is applicable, at or below the corresponding upper interest threshold(s) (each, an 'upper barrier').

The amount of interest you will receive (if any) is calculated by:

- (1) adding up the number of observation dates during the relevant observation period that the closing price or level of the underlying asset(s) is/are at or above the corresponding lower barrier(s) and (if 'upper barrier' is applicable) at or below the corresponding upper barrier(s); and then
- (2) dividing the result of (1) by the total number of observation dates in the observation period; and then
- (3) multiplying the result of (2) by the fixed interest rate and then multiplying by the Calculation Amount.

You will receive this amount on the interest payment date corresponding to the relevant observation period.

#### ***Impact of an Automatic Redemption (Autocall) Event:***

If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is one year;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the lower barrier is 90% of the initial price of the underlying asset (i.e. GBP 9);
- Upper Barrier is applicable and the upper barrier is 110% of the initial price of the underlying asset (i.e. GBP 11);
- the fixed interest rate is 6% (per interest calculation period);
- there is only one interest observation period, which includes 250 observation dates; and
- there is one interest payment date.

#### **Interest amount payable:**

- (i) if, on none of the observation dates during the interest observation period, the closing price or level of the underlying asset is both (A) greater than or equal to the lower barrier (i.e. GBP 9) and (B) less than or equal to the upper barrier (i.e. GBP 11), the interest amount payable on the interest payment date will be zero.

This is calculated as  $0/250 \times$  fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000;  
**OR**

- (ii) if, on 50 of the observation dates during the interest observation period, the closing price or level of the underlying asset is both (A) greater than or equal to the lower barrier (i.e. GBP 9) and (B) less than or equal to the upper barrier (i.e. GBP 11), the interest amount payable on the interest payment date will be GBP 12.

This is calculated as  $50/250 \times \text{fixed interest rate of } 6\% \times \text{the Calculation Amount of GBP } 1,000$ ;  
**OR**

- (iii) if, on 125 of the observation dates during the interest observation period, the closing price or level of the underlying asset is both (A) greater than or equal to the lower barrier (i.e. GBP 9) and (B) less than or equal to the upper barrier (i.e. GBP 11), the interest amount payable on the interest payment date will be GBP 30.

This is calculated as  $125/250 \times \text{fixed interest rate of } 6\% \times \text{the Calculation Amount of GBP } 1,000$ ;  
**OR**

- (iv) if, on 200 of the observation dates during the interest observation period, the closing price or level of the underlying asset is both (A) greater than or equal to the lower barrier (i.e. GBP 9) and (B) less than or equal to the upper barrier (i.e. GBP 11), the interest amount payable on the interest payment date will be GBP 48.

This is calculated as  $200/250 \times \text{fixed interest rate of } 6\% \times \text{the Calculation Amount of GBP } 1,000$ .

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING LOWER BARRIER (OR, IF APPLICABLE, ABOVE THE CORRESPONDING UPPER BARRIER) ON EVERY OBSERVATION DATE DURING THE RELEVANT INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST OBSERVATION PERIOD. IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING LOWER BARRIER (OR, IF APPLICABLE, ABOVE THE CORRESPONDING UPPER BARRIER) ON EVERY OBSERVATION DATE DURING EACH INTEREST OBSERVATION PERIOD, NO INTEREST AMOUNT WILL BE PAID DURING THE LIFE OF THE SECURITIES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE MARKET PRICE OR LEVEL OF EVERY UNDERLYING ASSET MUST BE AT OR ABOVE ITS CORRESPONDING LOWER BARRIER (AND, IF APPLICABLE, AT OR BELOW ITS CORRESPONDING UPPER BARRIER) ON AN OBSERVATION DATE IN ORDER FOR INTEREST TO BE PAYABLE IN RESPECT OF THAT DATE.**

### **Knock-out interest**

#### ***Interest calculation:***

*Knock-out interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.*

*The performance of the underlying asset(s) is considered on multiple 'interest valuation dates', which are simply a given set of dates that will be specified in the Final Terms.*

*Interest is payable if the closing price or level of any underlying asset on every scheduled trading day from (but excluding) the initial valuation date specified in the Final Terms to (and including) such interest valuation date is never below its knock-out barrier. A scheduled trading day is a day on which the exchange(s) on which an underlying asset is quoted or traded is/are scheduled to be open for trading.*

*If this occurs, the amount of interest you will receive is calculated by multiplying the fixed interest rate by the Calculation Amount. You will receive this amount on the interest payment date corresponding to the interest valuation date when the threshold test is satisfied.*

#### ***Impact of an Automatic Redemption (Autocall) Event:***

*If the securities are automatically redeemed early (i.e. an Automatic Redemption (Autocall) Event occurs), no further interest will be paid after the date on which the securities are redeemed.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the scheduled term (or 'life') of the Securities is two years;
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the knock-out barrier is 80% of the initial price of the underlying asset (i.e. GBP 8);
- there is one interest valuation date in each year;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest payment date in each year.

#### **Interest amount payable:**

##### **(a) First interest payment date (in year 1):**

- (i) if the closing price or level of the underlying asset is never below the knock-out barrier (i.e. GBP 8) on every scheduled trading day from (but excluding) the initial valuation date to (and including) the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000; **OR**
- (ii) if the closing price or level of the underlying asset is below the knock-out barrier (i.e. GBP 8) on any scheduled trading day from (but excluding) the initial valuation date to (and including) the first interest valuation date, no interest will be paid on the first interest payment date. In such circumstances, the Securities will not pay interest on any future interest payment dates as the 'observation period' in relation to each interest valuation date always runs from the initial valuation date of the Securities. Thus, once this test is failed, it will be failed for all future interest valuation dates.

##### **(b) Second (and final) interest payment date (in year 2):**

- (i) if the closing price or level of the underlying asset is never below the knock-out barrier (i.e. GBP 8) on every scheduled trading day from (but excluding) the initial valuation date to (and including) the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 60. This figure is calculated as the fixed interest rate of 6%  $\times$  the Calculation Amount of GBP 1,000; **OR**

- (ii) if the closing price or level of the underlying asset is below the knock-out barrier (i.e. GBP 8) on any scheduled trading day from (but excluding) the initial valuation date to (and including) the second interest valuation date, no interest will be paid on the second interest payment date.

**IF THE CLOSING PRICE OR LEVEL OF THE UNDERLYING ASSET IS BELOW THE CORRESPONDING KNOCK-OUT BARRIER ON ANY SCHEDULED TRADING DAY DURING THE PERIOD FROM (BUT EXCLUDING) THE INITIAL VALUATION DATE TO (AND INCLUDING) THE RELEVANT INTEREST VALUATION DATE, NO INTEREST AMOUNT WILL BE PAID IN RESPECT OF THAT INTEREST VALUATION DATE AND NO INTEREST WILL BE PAID IN RESPECT OF ANY FUTURE INTEREST VALUATION DATES.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF', THE CLOSING PRICE OR LEVEL OF EACH UNDERLYING ASSET MUST NEVER BE BELOW ITS KNOCK-OUT BARRIER ON EVERY SCHEDULED TRADING DAY DURING THE PERIOD FROM (BUT EXCLUDING) THE INITIAL VALUATION DATE TO (AND INCLUDING) THE RELEVANT INTEREST VALUATION DATE IN ORDER FOR INTEREST TO BE PAYABLE.**

**Automatic Redemption (Autocall) ('Autocall')**

*Securities may automatically redeem ('autocall') if the underlying asset(s) perform in a particular way.*

*Securities for which the Final Terms specifies 'Automatic Redemption (Autocall)' to be 'Applicable' will automatically redeem early if the closing price or level of the underlying asset(s) on a specified date (each, an 'autocall valuation date') is/are at or above the corresponding autocall threshold(s) (each threshold, an 'autocall barrier').*

*If this occurs, the Securities will automatically redeem early and you will receive a redemption amount equal to the Calculation Amount of the Security. You will receive this amount on the autocall redemption date corresponding to the autocall valuation date when the threshold test is satisfied.*

**WORKED EXAMPLE**

**Assumptions:**

- the Securities are issued on 1 August 2014 and are scheduled to redeem on 1 August 2018;
- the first autocall valuation date is 3 August 2015 and the corresponding autocall redemption date is 5 August 2015;
- there is only one underlying asset;
- the initial price of the underlying asset is GBP 10; and
- the autocall barrier in respect of the first autocall valuation date is 110% of the initial price of the underlying asset (i.e. GBP 11).

**Automatic Redemption (Autocall):**

- (a) if the closing price or level of the underlying asset on 3 August 2015 is GBP 11 (or higher), your Security will automatically redeem and you will receive GBP 1,000 (i.e. the Calculation Amount of your Security) on 5 August 2015; **OR**
- (b) if the closing price or level of the underlying asset on 3 August 2015 is less than GBP 11, your Security will not automatically redeem at that time

(and this same test will be applied on each subsequent autocall valuation date up until the scheduled redemption date).

### **Vanilla Barrier redemption**

#### **Overview of Vanilla Barrier redemption:**

*The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').*

*The final redemption amount or entitlement that you receive will depend on whether the final valuation price of the underlying asset is above or below certain threshold levels: the final barrier (if applicable) and/or the strike price.*

*The strike price and the final barrier (if applicable) are each calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the strike price might be 100% of the initial price and the final barrier might be 90% of the initial price.*

*Therefore, whether or not the final valuation price of the underlying asset is at or above either (or both) of the final barrier (if applicable) and the strike price is an indication of how the underlying asset has performed over the life of the Securities.*

#### **Calculation of the final redemption amount or entitlement:**

*For Securities where the 'Vanilla Barrier Type' is 'Autocall', if the final valuation price of the underlying asset is at or above either: (1) the final barrier; or (2) the strike price, you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*For Securities where the 'Vanilla Barrier Type' is 'Reverse Convertible', if the final valuation price of the underlying asset is at or above the strike price you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*In all other cases:*

- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
- (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- the 'Vanilla Barrier Type' is 'Autocall';
- there is one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);
- the final barrier is 90% of the initial price (i.e. GBP 9); and
- 'cash or physical' settlement is selected (rather than 'cash').

#### **Final redemption amount payable:**

##### **(a) If the final valuation price of the underlying asset is GBP 11:**

THEN: because the final valuation price is above the strike price and the final barrier, you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**



**(b) If the final valuation price of the underlying asset is GBP 9.50:**

THEN: because the final valuation price is above the final barrier (and even though it is below the strike price), you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(c) If the final valuation price of the underlying asset is GBP 6:**

THEN: because the final valuation price is below both the strike price and the final barrier, you will receive 100 shares (which as at the final valuation date have a total market value of approximately GBP 600, being GBP 6 per share multiplied by 100). This number of shares is calculated as the Calculation Amount of GBP 1,000 divided by the strike price of GBP 10.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN (A) BOTH THE STRIKE PRICE AND THE FINAL BARRIER, IN THE CASE WHERE THE 'VANILLA BARRIER TYPE' IS SPECIFIED TO BE 'AUTOCALL', OR (B) THE STRIKE PRICE, IN THE CASE WHERE THE 'VANILLA BARRIER TYPE' IS SPECIFIED TO BE 'REVERSE CONVERTIBLE', YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE, FINAL VALUATION PRICE AND FINAL BARRIER (IF APPLICABLE) FOR THE WORST PERFORMING UNDERLYING ASSET WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE, YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**

### **European Barrier redemption**

#### **Overview of European Barrier redemption:**

*The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').*

*The final redemption amount or entitlement that you receive will depend on whether the final valuation price of the underlying asset is above or below a certain threshold level: the knock-in barrier price.*

*The knock-in barrier price is calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the knock-in barrier price might be 90% of the initial price.*

*Therefore, whether or not the final valuation price of the underlying asset is at or above the knock-in barrier price is an indication of how the underlying asset has performed over the life of the Securities.*

#### **Calculation of the final redemption amount or entitlement:**

*If the final valuation price of the underlying asset is at or above the knock-in barrier price, you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*In all other cases:*

- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
- (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);
- the knock-in barrier price is 90% of the initial price (i.e. GBP 9); and
- 'cash' settlement is selected (rather than 'cash or physical').

#### **Final redemption amount payable:**

- (a) **If the final valuation price of the underlying asset is GBP 11:**

THEN: because the final valuation price is above the knock-in barrier price, you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

- (b) **If the final valuation price of the underlying asset is GBP 6:**

THEN: because the final valuation price is below the knock-in barrier price, you will only receive GBP 600. This figure is calculated as the final valuation price of GBP 6 divided by the strike price of GBP 10 and multiplied by the Calculation Amount of GBP 1,000.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN THE KNOCK-IN BARRIER PRICE, YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT. THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET COULD BE ZERO, IN WHICH CASE YOU WOULD LOSE ALL OF YOUR INVESTMENT.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE, FINAL VALUATION PRICE AND KNOCK-IN BARRIER PRICE FOR THE WORST PERFORMING UNDERLYING ASSET WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE, YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT.**

### **American Barrier redemption**

#### **Overview of American Barrier redemption:**

*The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').*

*The final redemption amount or entitlement that you receive will depend on:*

- (1) whether the final valuation price of the underlying asset is above or below certain threshold levels: the final barrier (if applicable) and/or the strike price; and/or*
- (2) whether the price or level of the underlying asset falls below a different threshold (the knock-in barrier price) on any trading day within a specific period of time (a 'trigger event'). The period of time runs from the 'knock-in barrier period start date' and ends on the 'knock-in barrier period end date', and these dates will be set out in the Final Terms.*

*The strike price, the knock-in barrier price and the final barrier (if applicable) are each calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the strike price might be 100% of the initial price, the final barrier might be 95% of the initial price and the knock-in barrier price might be 85% of the initial price.*

*Therefore, whether or not: (i) the final valuation price of the underlying asset is at or above either (or both) of the final barrier (if applicable) and the strike price; and (ii) a trigger event occurs (i.e. whether or not the price or level of the underlying asset falls below the knock-in barrier price on any relevant trading day) provides an indication of how the underlying asset has performed over the life of the Securities.*

#### **Calculation of the final redemption amount or entitlement:**

*For Securities where the American Barrier Type is 'Autocall', if: (a) the final valuation price of the underlying asset is at or above either: (1) the final barrier; or (2) the strike price; OR (b) a trigger event has not occurred (i.e. the price or level of the underlying asset has not fallen below the knock-in barrier price on any relevant trading day), you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*For Securities where the American Barrier Type is 'Reverse Convertible', if: (a) the final valuation price of the underlying asset is at or above the strike price; OR (b) a trigger event has not occurred (i.e. the price or level of the underlying asset has not fallen below the knock-in barrier price on any relevant trading day), you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*In all other cases:*

- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
- (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

#### **WORKED EXAMPLE**

##### **Assumptions:**

- the American Barrier Type is 'Autocall';
- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);

- the final barrier is 95% of the initial price (i.e. GBP 9.50);
- the knock-in barrier price is 85% of the initial price (i.e. GBP 8.50);
- the knock-in barrier period start date is 1 August 2014 and the knock-in barrier period end date is 31 July 2015; and
- 'cash' settlement is selected (rather than 'cash or physical').

**Final redemption amount payable:**

**(a) If the final valuation price of the underlying asset is GBP 11:**

THEN: because the final valuation price is above the final barrier and the strike price, you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(b) If the final valuation price of the underlying asset is GBP 9.80:**

THEN: because the final valuation price is above the final barrier (and even though it is below the strike price), you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(c) If the final valuation price of the underlying asset is GBP 9 and the price or level of the underlying asset has not fallen below GBP 8.50 on any trading day within the period from 1 August 2014 to 31 July 2015:**

THEN: because a trigger event has not occurred (and even though the final valuation price is below both the final barrier and the strike price), you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(d) If the final valuation price of the underlying asset is GBP 9 and the price or level of the underlying asset has fallen below GBP 8.50 on at least one trading day within the period from 1 August 2014 to 31 July 2015:**

THEN: because a trigger event has occurred (and the final valuation price is below the strike price and the final barrier), you will only receive GBP 900. This figure is calculated as the final valuation price of GBP 9 divided by the strike price of GBP 10 and multiplied by the Calculation Amount of GBP 1,000.

**OR**

**(e) If the final valuation price of the underlying asset is GBP 6:**

THEN: because a trigger event has occurred (and the final valuation price is below the strike price and the final barrier), you will only receive GBP 600. This figure is calculated as the final valuation price of GBP 6 divided by the strike price of GBP 10 and multiplied by the Calculation Amount of GBP 1,000.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN (A) BOTH THE STRIKE PRICE AND THE FINAL BARRIER, IN THE CASE WHERE THE 'AMERICAN BARRIER' TYPE IS SPECIFIED TO BE 'AUTOCALL', OR (B) THE STRIKE PRICE, IN THE CASE WHERE THE 'AMERICAN BARRIER TYPE' IS SPECIFIED TO BE 'REVERSE CONVERTIBLE', AND/OR A TRIGGER EVENT OCCURS, YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT. THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET COULD BE ZERO, IN WHICH CASE YOU WOULD LOSE ALL OF YOUR INVESTMENT.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF' THEN THE INITIAL PRICE, STRIKE PRICE, FINAL VALUATION PRICE, FINAL BARRIER (IF APPLICABLE) FOR THE WORST PERFORMING UNDERLYING ASSET AND THE KNOCK-IN BARRIER PRICE FOR ALL UNDERLYING ASSETS WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS**

**THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE (AND/OR IF A TRIGGER EVENT OCCURS IN RESPECT OF ANY ONE OR MORE UNDERLYING ASSETS), YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT.**

## **Call redemption**

### **Overview of Call redemption:**

*The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').*

*The final redemption amount or entitlement that you receive will depend on:*

- (1) whether the final valuation price of the underlying asset is above or below certain threshold levels: the strike price and the initial price of that underlying asset;*
- (2) whether or not the redemption amount is 'capped' at a maximum figure. This will be the case if the Final Terms specifies 'Cap' to be 'Applicable'; and*
- (3) the 'participation' specified in the Final Terms. A 'participation' is a percentage which determines your exposure to the performance of the underlying asset(s).*

*The strike price is calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the strike price might be 90% of the initial price.*

*Therefore, whether or not the final valuation price of the underlying asset is at or above either (or both) of the initial price and the strike price is an indication of how the underlying asset has performed over the life of the Securities.*

### **Calculation of the final redemption amount or entitlement:**

- (A) If the final valuation price of the underlying asset is at or above the initial price of the underlying asset, you will receive a cash amount equal to:*
- (1) if the redemption amount is not capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the participation and then multiplied by the performance of the underlying asset; or*
  - (2) if the redemption amount is capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the LESSER of: (i) the participation multiplied by the performance of the underlying asset; and (ii) the Cap percentage, which will be specified in the Final Terms.*

*In (1) and (2) above, the 'performance of the underlying asset' is calculated by dividing final valuation price by the initial price of the underlying asset, and then subtracting 1. For example, if the final valuation price is GBP 11 and the initial price is GBP 10, the performance of the underlying asset is*

$$\frac{\text{GBP } 11}{\text{GBP } 10} - 1 = 0.1 \text{ (or 10\%)}$$

*You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

- (B) If the final valuation price of the underlying asset is below the initial price of the underlying asset but at or above the strike price, you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*
- (C) In all other cases:*
- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
  - (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

**WORKED EXAMPLE**

**Assumptions:**

- there is only one underlying asset and the initial price of the underlying asset is GBP 20;
- the strike price is 80% of the initial price (i.e. GBP 16);
- the participation percentage is 140%;
- 'cap' is specified as applicable and the cap percentage is 30%; and
- 'cash or physical' settlement is selected (rather than 'cash').

**Final redemption amount payable:**

**(a) If the final valuation price of the underlying asset is GBP 25:**

THEN: because the final valuation price is above the initial price, limb (A) in the italicised summary above is applicable. It is necessary to make the following calculations:

- (i) The performance of the underlying asset is 25%. This figure is calculated as

$$\frac{\text{GBP 25 (i.e. the final valuation price)}}{\text{GBP 20 (i.e. the initial price)}} - 1 = 0.25 \text{ (or 25\%)}$$

- (ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 25%) is equal to 35%. This percentage is greater than the cap percentage (i.e. 30%). Therefore, the 35% figure is disregarded and only the cap percentage (i.e. 30%) is considered.

Accordingly, in this scenario (a), you will receive GBP 1,300. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 300, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 30% (i.e. the cap percentage).

**OR**

**(b) If the final valuation price of the underlying asset is GBP 21:**

THEN: because the final valuation price is above the initial price, limb (A) in the italicised summary above is applicable. It is necessary to make the following calculations:

- (i) The performance of the underlying asset is 5%. This figure is calculated as

$$\frac{\text{GBP 21 (i.e. the final valuation price)}}{\text{GBP 20 (i.e. the initial price)}} - 1 = 0.05 \text{ (or 5\%)}$$

- (ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 5%) is equal to 7%. This percentage is less than the cap percentage (i.e. 30%). Therefore, the 7% figure is relevant and the cap percentage (i.e. 30%) is disregarded.

Accordingly, in this scenario (b), you will receive GBP 1,070. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 70, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 7% (i.e. the participation multiplied by the performance of the underlying asset, as calculated above).

**OR**



**(c) If the final valuation price of the underlying asset is GBP 17:**

THEN: because the final valuation price is below the initial price but above the strike price, you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(d) If the final valuation price of the underlying asset is GBP 6:**

THEN: because the final valuation price is below both the initial price and the strike price, you will receive 62 shares (which as at the final valuation date have a total market value of GBP 372, being GBP 6 per share multiplied by 62) and GBP 3 in cash. This figure is calculated as the Calculation Amount of GBP 1,000 divided by the strike price of GBP 16, giving a value of 62.5. This value is then rounded down to 62, which is the number of shares you receive. The fractional remainder of 0.5 shares is converted into cash using the final valuation price of the underlying asset (being GBP 6 per share) and therefore you receive  $0.5 \times \text{GBP } 6 = \text{GBP } 3$  in cash.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN THE STRIKE PRICE, YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE AND FINAL VALUATION PRICE FOR THE WORST PERFORMING UNDERLYING ASSET WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE, YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**

### **Bull-Bear – European Barrier redemption**

#### **Overview of Bull-Bear – European Barrier redemption:**

The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').

The final redemption amount or entitlement that you receive will depend on:

- (1) whether the final valuation price of the underlying asset is above or below certain threshold levels: the strike price and the knock-in barrier price;
- (2) whether or not the redemption amount is 'capped' at a maximum figure. This will be the case if the Final Terms specifies 'Cap' to be 'Applicable'; and
- (3) the 'participation' specified in the Final Terms. A 'participation' is a percentage which determines your exposure to the performance of the underlying asset(s).

The strike price and the knock-in barrier price are each calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the strike price might be 100% of the initial price and the knock-in barrier price might be 85% of the initial price.

Therefore, whether or not the final valuation price of the underlying asset is at or above either (or both) of the strike price and the knock-in barrier price is an indication of how the underlying asset has performed over the life of the Securities.

#### **Calculation of the final redemption amount or entitlement:**

- (A) If the final valuation price of the underlying asset is at or above the strike price, you will receive a cash amount equal to:
- (1) if the redemption amount is not capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the participation and then multiplied by the performance of the underlying asset; or
  - (2) if the redemption amount is capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the LESSER of: (i) the participation multiplied by the performance of the underlying asset; and (ii) the Cap percentage, which will be specified in the Final Terms.

In (1) and (2) above, the 'performance of the underlying asset' is calculated by subtracting the strike price from the final valuation price and then dividing by the initial price of the underlying asset. For example, if the final valuation price is GBP 10.50, the strike price is GBP 10 and the initial price is GBP 10, the performance of the underlying asset is

$$\frac{\text{GBP } 10.50 - \text{GBP } 10}{\text{GBP } 10} = 0.05 \text{ (or 5\%)}$$

You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.

- (B) If the final valuation price of the underlying asset is below the strike price but at or above the knock-in barrier price, you will receive a cash amount equal to the Calculation Amount PLUS the Calculation Amount multiplied by the 'negative performance' of the underlying asset.

The 'negative performance' of the underlying asset is calculated by subtracting the final valuation price from the strike price and then dividing by the initial price of the underlying asset. For example, if the final valuation price is GBP 9, the strike price is GBP 10 and the initial price is GBP 10, the 'negative performance' of the underlying asset is

$$\frac{\text{GBP } 10 - \text{GBP } 9}{\text{GBP } 10} = 0.1 \text{ (or 10\%)}$$

*You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

(C) *In all other cases:*

- (1) *if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
- (2) *if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

#### **WORKED EXAMPLE**

##### **Assumptions:**

- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);
- the knock-in barrier price is 85% of the initial price (i.e. GBP 8.50);
- the participation percentage is 140%;
- 'Cap' is specified as applicable and the Cap percentage is 30%; and
- 'cash' settlement is selected (rather than 'cash or physical').

##### **Final redemption amount payable:**

(a) **If the final valuation price of the underlying asset is GBP 12.50:**

THEN: because the final valuation price is above the strike price, limb (A) in the italicised summary above is applicable. It is necessary to make the following calculations:

(i) The performance of the underlying asset is 25%. This figure is calculated as

$$\frac{\text{GBP 12.50 (the final valuation price)} - \text{GBP 10 (the strike price)}}{\text{GBP 10 (the initial price)}} = 0.25 \text{ (or 25\%)}$$

(ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 25%) is equal to 35%. This percentage is greater than the cap percentage (i.e. 30%). Therefore, the 35% figure is disregarded and only the cap percentage (i.e. 30%) is considered.

Accordingly, in this scenario (a), you will receive GBP 1,300. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 300, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 30% (i.e. the Cap percentage).

**OR**

(b) **If the final valuation price of the underlying asset is GBP 10.50:**

THEN: because the final valuation price is above the strike price, limb (A) in the italicised summary above is applicable. Therefore, it is necessary to make the following calculations:

(i) The performance of the underlying asset is 5%. This figure is calculated as

$$\frac{\text{GBP 10.50 (the final valuation price)} - \text{GBP 10 (the strike price)}}{\text{GBP 10 (the initial price)}} = 0.05 \text{ (or 5\%)}$$

(ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 5%)

is equal to 7%. This percentage is less than the cap percentage (i.e. 30%). Therefore, the 7% figure is relevant and the cap percentage (i.e. 30%) is disregarded.

Accordingly, in this scenario (b), you will receive GBP 1,070. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 70, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 7% (i.e. the participation multiplied by the performance of the underlying asset, as calculated above).

**OR**

**(c) If the final valuation price of the underlying asset is GBP 9:**

THEN: because the final valuation price is below the strike price but above the knock-in barrier price, limb (B) in the italicised summary above is applicable. Therefore, it is necessary to calculate the 'negative performance' of the underlying asset, as follows:

$$\frac{\text{GBP 10 (the strike price)} - \text{GBP 9 (the final valuation price)}}{\text{GBP 10 (the initial price)}} = 0.1 \text{ (or 10\%)}$$

Accordingly, in this scenario (c), you will receive GBP 1,100. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 100, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 10% (i.e. the 'negative performance' of the underlying asset, as calculated above).

**OR**

**(d) If the final valuation price of the underlying asset is GBP 6:**

THEN: because the final valuation price is below both the strike price and the knock-in barrier price, you will only receive GBP 600. This figure is calculated as the final valuation price of GBP 6 divided by the strike price of GBP 10 and multiplied by the Calculation Amount of GBP 1,000.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN THE KNOCK-IN BARRIER PRICE, YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT. THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET COULD BE ZERO, IN WHICH CASE YOU WOULD LOSE ALL OF YOUR INVESTMENT.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE, KNOCK-IN BARRIER PRICE AND FINAL VALUATION PRICE FOR THE WORST PERFORMING UNDERLYING ASSET WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE, YOU WILL LOSE SOME OR ALL OF YOUR INVESTMENT.**

### **Bull-Bear – American Barrier redemption**

#### **Overview of Bull-Bear – American Barrier redemption:**

The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').

The final redemption amount or entitlement that you receive will depend on:

- (1) whether the final valuation price of the underlying asset is above or below a certain threshold level: the strike price;
- (2) whether the price or level of the underlying asset falls below a different threshold (the knock-in barrier price) on any trading day within a specific period of time (a 'trigger event'). The period of time runs from the 'knock-in barrier period start date' and ends on the 'knock-in barrier period end date', and these dates will be set out in the Final Terms;
- (3) whether or not the redemption amount is 'capped' at a maximum figure. This will be the case if the Final Terms specifies 'Cap' to be applicable;
- (4) the 'participation' specified in the Final Terms. A 'participation' is a percentage which determines your exposure to the performance of the underlying asset(s).

The strike price and the knock-in barrier price are each calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the strike price might be 100% of the initial price and the knock-in barrier price might be 85% of the initial price.

Therefore, whether or not: (i) the final valuation price of the underlying asset is at or above the strike price; and (ii) a trigger event occurs (i.e. whether or not the price or level of the underlying asset falls below the knock-in barrier price on any relevant trading day) provides an indication of how the underlying asset has performed over the life of the Securities.

#### **Calculation of the final redemption amount or entitlement:**

- (A) If the final valuation price of the underlying asset is at or above the strike price, you will receive a cash amount equal to:
- (1) if the redemption amount is not capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the participation and then multiplied by the performance of the underlying asset; or
  - (2) if the redemption amount is capped: (a) the Calculation Amount PLUS (b) the Calculation Amount multiplied by the LESSER of: (i) the participation multiplied by the performance of the underlying asset; and (ii) the Cap percentage, which will be specified in the Final Terms.

In (1) and (2) above, the 'performance of the underlying asset' is calculated by subtracting the strike price from the final valuation price and then dividing by the initial price of the underlying asset. For example, if the final valuation price is GBP 10.50, the strike price is GBP 10 and the initial price is GBP 10, the performance of the underlying asset is

$$\frac{\text{GBP } 10.50 - \text{GBP } 10}{\text{GBP } 10} = 0.05 \text{ (or 5\%)}$$

You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.

- (B) If the final valuation price of the underlying asset is below the strike price but a trigger event has not occurred (i.e. the market price or level of the underlying asset has not fallen below the knock-in barrier price on any relevant trading day), you will receive a cash amount equal to the Calculation Amount PLUS the Calculation Amount multiplied by the 'negative performance' of the underlying asset).

The 'negative performance' of the underlying asset is calculated by subtracting the final valuation price from the strike price and then dividing by the initial price of the underlying asset. For example, if the final valuation price is GBP 9, the strike price is GBP 10 and the initial price is GBP 10, the 'negative performance' of the underlying asset is

$$\frac{\text{GBP } 10 - \text{GBP } 9}{\text{GBP } 10} = 0.1 \text{ (or 10\%)}$$

You will receive this cash amount whether the settlement method is specified to the 'cash' or 'cash or physical'.

(C) In all other cases:

- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or
- (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).

Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.

#### **WORKED EXAMPLE**

##### **Assumptions:**

- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);
- the knock-in barrier price is 85% of the initial price (i.e. GBP 8.50);
- the knock-in barrier period start date is 1 August 2014 and the knock-in barrier period end date is 31 July 2015;
- the participation percentage is 140%;
- 'Cap' is specified as applicable and the Cap percentage is 30%; and
- 'cash or physical' settlement is selected (rather than 'cash').

##### **Final redemption amount payable:**

(a) **If the final valuation price of the underlying asset is GBP 12.50:**

THEN: because the final valuation price is above the strike price, limb (A) in the italicised summary above is applicable. It is necessary to make the following calculations:

(i) The performance of the underlying asset is 25%. This figure is calculated as

$$\frac{\text{GBP } 12.50 \text{ (the final valuation price)} - \text{GBP } 10 \text{ (the strike price)}}{\text{GBP } 10 \text{ (the initial price)}} = 0.25 \text{ (or 25\%)}$$

(ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 25%) is equal to 35%. This percentage is greater than the cap percentage (i.e. 30%). Therefore, the 35% figure is disregarded and only the cap percentage (i.e. 30%) is considered.

Accordingly, in this scenario (a), you will receive GBP 1,300. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 300, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied

by 30% (i.e. the Cap percentage).

**OR**

**(b) If the final valuation price of the underlying asset is GBP 10.50:**

THEN: because the final valuation price is above the strike price, limb (A) in the italicised summary above is applicable. It is necessary to make the following calculations:

(i) The performance of the underlying asset is 5%. This figure is calculated as

$$\frac{\text{GBP 10.50 (the final valuation price)} - \text{GBP 10 (the strike price)}}{\text{GBP 10 (the initial price)}} = 0.05 \text{ (or 5\%)}$$

(ii) The participation (i.e. 140%) multiplied by the performance of the underlying asset (i.e. 5%) is equal to 7%. This percentage is less than the cap percentage (i.e. 30%). Therefore, the 7% figure is relevant and the cap percentage (i.e. 30%) is disregarded.

Accordingly, in this scenario (b), you will receive GBP 1,070. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 70, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 7% (i.e. the participation multiplied by the performance of the underlying asset, as calculated above).

**OR**

**(c) If the final valuation price of the underlying asset is GBP 9 and the market price or level of the underlying asset has not fallen below GBP 8.50 on any trading day within the period from 1 August 2014 to 31 July 2015:**

THEN: because a trigger event has not occurred, limb (B) in the italicised summary above is applicable. Therefore, it is necessary to calculate the 'negative performance' of the underlying asset, as follows:

$$\frac{\text{GBP 10 (the strike price)} - \text{GBP 9 (the final valuation price)}}{\text{GBP 10 (the initial price)}} = 0.1 \text{ (or 10\%)}$$

Accordingly, in this scenario (c), you will receive GBP 1,100. This figure is calculated as the sum of:

- (1) GBP 1,000 (i.e. the Calculation Amount); and
- (2) GBP 100, which is calculated as GBP 1,000 (i.e. the Calculation Amount) multiplied by 10% (i.e. the 'negative performance' of the underlying asset, as calculated above).

**OR**

**(d) If the final valuation price of the underlying asset is GBP 9 and the market price or level of the underlying asset has fallen below GBP 8.50 on at least one trading day within the period from 1 August 2014 to 31 July 2015:**

THEN: because a trigger event has occurred (and the final valuation price is below the strike price), you will receive 100 shares (which as at the final valuation date have a total market value of approximately GBP 900, being GBP 9 per share multiplied by 100). This number of shares is calculated as the Calculation Amount of GBP 1,000 divided by the strike price of GBP 10.

**OR**

**(e) If the final valuation price of the underlying asset is GBP 6:**

THEN: because a trigger event has occurred (and the final valuation price is below the strike price), you will receive 100 shares (which as at the final valuation date have a total market value of approximately GBP 600, being GBP 6 per share multiplied by 100). This number of shares is calculated as the Calculation Amount of GBP 1,000 divided by the strike price of GBP 10.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN THE STRIKE PRICE AND A TRIGGER EVENT OCCURS, YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE AND FINAL VALUATION PRICE FOR THE WORST PERFORMING UNDERLYING ASSET AND THE KNOCK-IN BARRIER PRICE FOR ALL UNDERLYING ASSETS WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE (AND IF A TRIGGER EVENT OCCURS IN RESPECT OF ANY ONE OR MORE UNDERLYING ASSETS), YOU WILL RECEIVE PHYSICAL DELIVERY OF SHARES WHOSE TOTAL MARKET VALUE MAY BE LESS THAN YOUR INVESTMENT AND COULD BE WORTHLESS.**



### **Put Spread redemption**

#### **Overview of put spread redemption:**

*The Securities may upon maturity either pay a redemption amount or (if applicable) involve the delivery of a fixed number of units of the underlying asset (an 'entitlement').*

*The final redemption amount or entitlement that you receive will depend on whether the final valuation price of the underlying asset is above or below certain threshold levels: the final barrier, the strike price and the lower strike price.*

*The final barrier, the strike price and the lower strike price are each calculated by taking a particular fixed percentage of the initial price of the underlying asset. For example, the final barrier might be 90% of the initial price, the strike price might be 100% of the initial price and the lower strike price might be 70% of the initial price.*

*Therefore, whether or not the final valuation price of the underlying asset is at or above any (or all) of the final barrier, the strike price and the lower strike price is an indication of how the underlying asset has performed over the life of the Securities.*

#### **Calculation of the final redemption amount or entitlement:**

*If the final valuation price of the underlying asset is at or above either: (1) the final barrier; or (2) the strike price, you will receive a cash amount equal to the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*If the final valuation price of the underlying asset is below the strike price and the final barrier but at or above the lower strike price:*

- (1) if the settlement method is 'cash', you will receive a cash amount equal to the final valuation price divided by the strike price and multiplied by the Calculation Amount; or*
- (2) if the settlement method is 'cash or physical', you will receive a whole number of units of the underlying asset plus a cash amount (in place of any fractional amount of the underlying asset).*

*In all other cases, you will receive a cash amount equal to the lower strike price percentage multiplied by the Calculation Amount. You will receive this cash amount whether the settlement method is specified to be 'cash' or 'cash or physical'.*

*Accordingly, please note that 'cash or physical' does not mean that you have an option to select cash or physical settlement. Rather, it means that you will either receive a cash settlement or a physical settlement depending on how the underlying asset performs.*

### **WORKED EXAMPLE**

#### **Assumptions:**

- there is only one underlying asset and the initial price of the underlying asset is GBP 10;
- the strike price is 100% of the initial price (i.e. GBP 10);
- the final barrier is 90% of the initial price (i.e. GBP 9);
- the lower strike price percentage is 70%, so the lower strike price is 70% of the initial price (i.e. GBP 7); and
- 'cash' settlement is selected (rather than 'cash or physical').

#### **Final redemption amount payable:**

- (a) **If the final valuation price of the underlying asset is GBP 11:**

THEN: because the final valuation price is above the strike price and the final barrier, you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(b) If the final valuation price of the underlying asset is GBP 9.50:**

THEN: because the final valuation price is above the final barrier (and even though it is below the strike price), you will receive GBP 1,000 (i.e. the Calculation Amount).

**OR**

**(c) If the final valuation price of the underlying asset is GBP 8:**

THEN: because the final valuation price is below the strike price and the final barrier (but above the lower strike price), you will only receive GBP 800. This figure is calculated as the final valuation price of GBP 8 divided by the strike price of GBP 10 and multiplied by the Calculation Amount of GBP 1,000.

**OR**

**(d) If the final valuation price of the underlying asset is GBP 6:**

THEN: because the final valuation price is below the lower strike price, you will only receive GBP 700. This figure is calculated as the lower strike price percentage of 70% multiplied by the Calculation Amount of GBP 1,000.

**IF THE FINAL VALUATION PRICE OF THE UNDERLYING ASSET IS LESS THAN BOTH THE STRIKE PRICE AND THE FINAL BARRIER, YOU WILL LOSE SOME OF YOUR INVESTMENT.**

**IF THE FINAL TERMS SPECIFIES THE 'UNDERLYING PERFORMANCE TYPE' TO BE 'WORST-OF': THE INITIAL PRICE, STRIKE PRICE, LOWER STRIKE PRICE, FINAL VALUATION PRICE AND FINAL BARRIER FOR THE WORST PERFORMING UNDERLYING ASSET WILL BE CONSIDERED FOR THE PURPOSES OF THE CALCULATIONS ABOVE. THIS MEANS THAT, IRRESPECTIVE OF HOW THE OTHER UNDERLYING ASSETS PERFORM, IF ANY ONE OR MORE UNDERLYING ASSETS DO NOT MEET THE THRESHOLD TESTS SET OUT ABOVE, YOU WILL LOSE SOME OF YOUR INVESTMENT.**

**TERMS AND CONDITIONS OF THE SECURITIES**

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## TERMS AND CONDITIONS OF THE SECURITIES

*The following text comprises the terms and conditions of the Securities (the "**General Conditions**") that, subject to completion or election in the Final Terms (together, the "**Conditions**"), shall be applicable to each Series.*

*Calculations and determinations: unless otherwise specified, all calculations and determinations in the conditions shall be made by the Determination Agent. In respect of each such calculation and determination, General Condition 22.2 (Determinations by the Determination Agent) shall apply.*

*Section C: INTEREST, AUTOMATIC REDEMPTION (AUTOCALL), FINAL REDEMPTION AND NOMINAL CALL EVENT and Section D: EQUITY LINKED CONDITIONS, DISRUPTION EVENTS AND TAXES AND EXPENSES contain certain optional provisions that will only apply to certain issuances of Securities. The Final Terms document will specify which provisions from Sections C and D apply to your Securities.*

*In particular, the Final Terms will indicate:*

- the type of interest payable under the Securities;*
- the dates on which the Securities may redeem due to an Automatic Redemption (Autocall) Event (if applicable);*
- the type of redemption amount due on the Securities upon final redemption (if not redeemed earlier); and*
- whether or not the Securities may be redeemed early at the option of the Issuer following a 'nominal call event' and, if so, the conditions for the exercise of such option,*

*in each case in accordance with the relevant provisions of General Condition 7 (Interest); General Condition 8 (Automatic Redemption (Autocall)), General Condition 9 (Final redemption) and General Condition 10 (Nominal Call Event), as are specified to apply in the Final Terms.*

*All capitalised terms that are not defined in these General Conditions have the meanings given to them in the Final Terms.*

*References in these General Conditions to 'Securities' are to the Securities of one Series only, not to all Securities that may be issued pursuant to the Programme.*

### A. INTRODUCTION

The Securities are issued as a Series of notes ("**Notes**") or certificates ("**Certificates**") by the Issuer and references to 'Securities' shall be construed as a reference to each Series accordingly. Securities are issued pursuant to the Master Agency Agreement dated 18 May 2015 (as further amended and/or supplemented and/or restated and/or replaced as at the relevant Issue Date, the "**Master Agency Agreement**") and, other than CREST Securities and French Securities, with the benefit of a Deed of Covenant dated 15 May 2015 (as further amended and/or supplemented and/or restated and/or replaced as at the relevant Issue Date, the "**Deed of Covenant**") executed by the Issuer. French Securities are issued pursuant to the Conditions with the benefit of the Master Agency Agreement as amended by its schedules 12 and 18.

Copies of the Master Agency Agreement and the Deed of Covenant are available for inspection at the registered office of the Issuer, the Issue and Paying Agent and the specified offices of the Paying Agents, the Transfer Agents and the Registrar.

The determination agent (the "**Determination Agent**"), the issue and paying agent (the "**Issue and Paying Agent**"), the registrar (the "**Registrar**"), the registration agent (the "**Registration Agent**"), the paying agents (the "**Paying Agents**"), the transfer agents (the "**Transfer Agents**") and, in respect of any issue of CREST Securities, the agent providing certain issuing, registry and

paying agency services to the Issuer (the "**CREST Agent**") (together, the "**Agents**") shall be as specified below or in the Final Terms, as applicable. The Issue and Paying Agent shall be The Bank of New York Mellon, London Branch, of One Canada Place, London E14 5AL.

In respect of any issue of CREST Securities, the CREST Agent shall be Computershare Investor Services PLC, unless otherwise specified in the Final Terms. For the purpose of CREST Securities, any reference in the Conditions to a calculation or determination being made by the Determination Agent or the Issue and Paying Agent shall be deemed to be a reference to the Issuer making such calculation or determination.

Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche will be identical to the terms of other Tranches of the same Series (save in respect of the Issue Date, Issue Price, first payment of interest, if applicable, and aggregate nominal amount of the Tranche) and will be set out in the Final Terms.

Unless otherwise expressly indicated, capitalised terms used in these Conditions have the meanings given in General Condition 35 (*Definitions and interpretation*).

## **B. FORM, TITLE, TRANSFER, CALCULATIONS, PAYMENTS AND SETTLEMENT**

### **1. Form, title and transfer**

#### **1.1 Form of Securities**

(a) **Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)**

Securities will be issued in bearer form ("**Bearer Securities**"), with or without coupons (the "**Coupons**") or talons (the "**Talons**") or in registered form ("**Registered Securities**") as specified in the Final Terms. Securities in one form may not be exchanged for Securities in any other form except as provided below.

Bearer Securities will initially be issued in global form (each a "**Global Bearer Security**" and, if more than one, the "**Global Bearer Securities**"), and may only be exchanged for Securities in definitive form (each a "**Definitive Bearer Security**" and, if more than one, the "**Definitive Bearer Securities**") (i) in the case of Bearer Securities with a single Specified Denomination, if specified in the Final Terms or (ii) in the case of all Bearer Securities, upon an Exchange Event occurring, and in each case in accordance with the terms of the relevant Global Bearer Security. Registered Securities may initially be issued in global form (each a "**Global Registered Security**" and, if more than one, the "**Global Registered Securities**" and, together with a Global Bearer Security, each a "**Global Security**" and, if more than one, the "**Global Securities**") if specified in the Final Terms, which may only be exchanged for Securities in definitive form (each a "**Definitive Registered Security**" and, if more than one, the "**Definitive Registered Securities**" and, together with Definitive Bearer Securities, "**Definitive Securities**"), if specified in the Final Terms, or upon an Exchange Event occurring, and in each case in accordance with the terms of the relevant Global Registered Security. Registered Securities may initially be issued as Definitive Registered Securities if specified in the Final Terms. The Issuer will promptly give notice to Holders if an Exchange Event occurs.

(b) **Form of CREST Securities**

CREST Securities will be issued in dematerialised uncertificated registered form and will be held in accordance with the United Kingdom Uncertificated Securities Regulations 2001 (SI 2001/3755) including any modification or re-enactment thereof from time to time in force (the "**Uncertificated Regulations**"), and not constituted by

any physical document of title. CREST Securities will be cleared through CREST and will be participating securities for the purposes of the Uncertificated Regulations.

(c) **Form of Danish Securities**

Danish Securities are issued in uncertificated and dematerialised book-entry form in accordance with Consolidated Act No. 855 of 17 August 2012 on Trading in Securities of the Kingdom of Denmark (the "**Securities Trading Act**"), as amended from time to time, and Executive Order No. 369 of 16 May 2009 on, amongst other things, the registration of fund assets in a securities centre (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*) (the "**Danish VP Registration Order**"). References in these General Conditions to Coupons, Talons and Global Securities shall not apply to Danish Securities.

(d) **Form of Finnish Securities**

Finnish Securities are issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-entry System and Clearing Activity (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book-entry Accounts (*laki arvo-osuustileistä* (872/1991)), other applicable Finnish legislation and Euroclear Finland Rules. No Global Securities or Definitive Securities representing Finnish Securities will be issued, and the General Conditions of such securities will be construed accordingly. References in the General Conditions to Coupons, Talons and Global Securities shall not apply to Finnish Securities.

(e) **Form of French Cleared Securities**

French Cleared Securities are issued in bearer form and the Global Security will be deposited on or prior to the original issue date of the Tranche with Euroclear France as central depository and in CGN Form.

Upon the initial deposit of such Global Security with Euroclear France and payment of the relevant amount in respect of the subscribed Securities, the relevant nominal amount or number, as the case may be, of Securities will be credited to the account of Accountholders who have purchased the Securities and/or to the account of the Accountholder designated by the relevant purchaser(s). In respect of French Cleared Securities represented by a Global Security, the records of Euroclear France shall be conclusive evidence of the nominal amount or the number of Securities, and a statement issued by Euroclear France at any time shall be conclusive evidence of the records of Euroclear France at that time.

(f) **Form of French Securities**

French Securities are governed by French law, issued in dematerialised book-entry form and constitute (i) obligations within the meaning of Article L. 213–5 of the French Code *monétaire et financier* ("**French Notes**") or (ii) *titres de créance* within the meaning of Article L. 213–1-A of the French Code *monétaire et financier*.

French Securities are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of Accountholders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Holder in either administered registered form (*au nominatif administré*) inscribed in the books of an Accountholder or in fully registered form (*au nominatif pur*) inscribed in an account held by Euroclear France and in the books maintained by the Issuer or the Registration Agent (designated in the Final Terms) acting on behalf of the Issuer.

(g) **Form of Norwegian Securities**

Norwegian Securities are issued in uncertificated book-entry form and cleared through the Norwegian paperless securities registry, in accordance with the Securities Registration Act 2002-07-05 no. 64, as amended from time to time, and Regulation 2003-05-21 no. 620 on the information that shall be registered in a securities register and the VPS Rules. References in the Conditions to Coupons, Talons and Global Securities shall not apply to Norwegian Securities.

(h) **Form of Swedish Securities**

Swedish Securities are issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (Sw. Lag (1998:1479) *om kontoföring av finansiella instrument*), other applicable Swedish legislation and the Relevant Rules. No Global Securities or Definitive Securities representing Swedish Securities will be issued, and the General Conditions of such securities will be construed accordingly. Swedish Securities will be transferred, cleared and settled with Euroclear Sweden. References in the General Conditions to Coupons, Talons and Global Securities shall not apply to Swedish Securities.

(i) **Form of Swiss Securities**

Swiss Securities are issued in uncertificated form in accordance with article 973c of the Swiss Code of Obligations. Unless otherwise stated in the Final Terms, the Holders of Swiss Securities shall at no time have the right to demand the conversion of uncertificated securities into, or the delivery of, a permanent global certificate or physical securities. By contrast, the Issuer shall have the right to effect the conversion of the uncertificated securities into a permanent global certificate in accordance with article 973b of the Swiss Code of Obligations or physical securities and vice versa.

By (i) registering Swiss Securities in uncertificated form in the main register (*Hauptregister*) of SIX SIS Ltd, Olten, Switzerland or any other Swiss central depository ("**SIS**") or depositing permanent global certificates or all the physical certificates of Swiss Securities, or by depositing Global Securities (governed by any other law), with SIS ("**Swiss Cleared Securities**") and (ii) by crediting the Swiss Securities or Swiss Cleared Securities to a securities account (*Effektenkonto*) of a depository bank with SIS, intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") pursuant to the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) ("**FISA**") are created.

(j) **Initial issue of Global Securities**

If the Final Terms specifies 'NGN Form' to be 'Applicable' with respect to a Global Bearer Security or if the Final Terms specifies 'Held under the NSS' to be 'Applicable' with respect to a Global Registered Security to be held under the New Safekeeping Structure ("**NSS**") ("**NGN Form**"), such Global Bearer Security or Global Registered Security will be delivered on or prior to the original issue date of the Series or Tranche to a common safekeeper (a "**Common Safekeeper**"). The aggregate nominal amount or aggregate number, as applicable, of the Global Security shall be that which is from time to time entered in the records of the Relevant Clearing System. Securities should only be issued in NGN Form where they are intended to be held in a manner which would allow Eurosystem eligibility but such recognition will depend upon the satisfaction of the Eurosystem eligibility criteria.

If the Final Terms specifies 'CGN Form' to be 'Applicable' ("**CGN Form**"), the Global Security may be delivered on or prior to the original issue date of the Series or Tranche to a Common Depository for the Relevant Clearing System (and, in the case of Registered Securities, registered in the name of any nominee for the Relevant Clearing System). The Relevant Clearing System will then credit each subscriber with an aggregate nominal amount or aggregate number, as applicable, of the Global Security equal to the nominal amount or number thereof for which it has subscribed and paid.



## 1.2 Exchange of Securities

### (a) Exchange of Global Securities (other than French Cleared Securities and French Securities)

Each Series of Bearer Securities issued in compliance with the D Rules will be initially issued in the form of a temporary global security in bearer form (a "**Temporary Global Security**") and will be exchangeable for a permanent bearer global security (a "**Permanent Global Security**"), free of charge, on and after its Exchange Date, upon certification as to non-US beneficial ownership in the form set out in the Master Agency Agreement.

Each Series of Bearer Securities issued in compliance with the C Rules or in respect of which TEFRA does not apply will be initially issued in the form of a Permanent Global Security.

Upon the occurrence of an Exchange Event on or after its Exchange Date each Permanent Global Security will be exchangeable, in whole but not in part, free of charge, for Definitive Securities. Temporary Global Securities will not be exchangeable for Definitive Securities.

If the Global Security is in CGN Form, on or after any due date for exchange, the Holder may surrender it or, in the case of a partial exchange, present it for endorsement to or to the order of the Issue and Paying Agent and in exchange the Issuer will deliver, or procure the delivery of (i) in the case of a Temporary Global Security, a Permanent Global Security in an aggregate nominal amount or aggregate number, as applicable, equal to that of the Temporary Global Security that is being exchanged, or (ii) in the case of a Permanent Global Security exchangeable for Definitive Securities, an equal aggregate nominal amount or aggregate number, as applicable, of duly executed and authenticated Definitive Securities.

If the Global Security is in NGN Form, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the Relevant Clearing System. On exchange in full of each Permanent Global Security, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with the relevant Definitive Securities.

### (b) Exchange of French Cleared Securities

In respect of French Cleared Securities, each Series of French Cleared Securities will be initially issued in the form of a Temporary Global Security and will be exchangeable, free of charge to the Holder, on and after its Exchange Date in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Master Agency Agreement for interests in a Permanent Global Security.

### (c) Exchange of French Securities

French Securities in one form may not be exchanged for French Securities in any other form except as provided below.

French Securities issued in fully registered form (*au nominatif pur*) may, at the option of the Holder, be converted into French Securities in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Holder shall be made in accordance with Article R.211-4 of the French Code *monétaire et financier*. Any such conversion shall be effected at the cost of such Holder.

### (d) Exchange of Registered Securities (other than Danish Securities, Finnish Securities, Norwegian Securities, Swedish Securities and Swiss Securities)

Registered Securities of each Series which are sold in an 'offshore transaction' within the meaning of Regulation S under the Securities Act will be represented by interests in a Global Security, without Coupons or Talons, or deposited with, and registered in the name of, a Common Depository or a Common Safekeeper on behalf of the Relevant Clearing System on its issue date.

### 1.3 Denomination and Number

#### (a) Notes

The Final Terms in respect of Securities that are Notes will specify the denomination or denominations (each a "**Specified Denomination**") in which such Securities are issued, the Aggregate Nominal Amount, the Issue Price per Security, the Settlement Currency and the Calculation Amount. In the case of a Series with more than one Specified Denomination, Bearer Securities of one Specified Denomination will not be exchangeable for Bearer Securities of another Specified Denomination.

#### (b) Certificates

The Final Terms in respect of Securities that are Certificates will specify the Settlement Currency of such Securities, the Issue Price per Security, the number of Securities being issued and the Calculation Amount. All Certificates of a Series shall have the same Calculation Amount.

#### (c) Redenomination

If the Securities are Notes denominated in sterling and the Issuer determines that a Redenomination Date will occur, the Notes shall, without requiring the consent of the Holders, be redenominated into euro with effect from the Redenomination Date (provided that the Issuer has given prior notice thereof to the Issue and Paying Agent and the Relevant Clearing Systems and at least 30 days' prior notice thereof to the Holders).

Following such redenomination:

- (i) all payments under the Securities (other than payments of interest in respect of periods commencing before the Redenomination Date) will be made in euro and not in sterling; and
- (ii) the Determination Agent shall make such adjustments to the Conditions or any other provisions relating to the Securities to account for the redenomination and to preserve substantially the economic effect to the Holders of holding the relevant Securities.

### 1.4 Title

#### (a) Title to Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Securities, Norwegian Securities, Swedish Securities, Swiss Securities and Swiss Cleared Securities)

Title to Bearer Securities and any Coupons or Talons, as the case may be, passes by delivery. Title to Registered Securities passes by registration in the Register which the Issuer shall procure is kept by the Registrar in accordance with the provisions of the Master Agency Agreement.

The Issuer and the relevant Agents shall (except as otherwise required by law or ordered by a court of competent jurisdiction) deem and treat the Holder (as defined below) of any Bearer Security, Coupon, Talon or Registered Security as its absolute owner for all purposes (whether or not such Security is overdue and regardless of any

notice of ownership, trust or any interest in it, any writing on it (or on the Global Security representing it) or its theft or loss) and no person shall be liable for so treating the Holder.

In these General Conditions, except in respect of CREST Securities, Danish Securities, Finnish Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities, "**Holder**" means the bearer of any Bearer Security or the person in whose name a Registered Security is registered, except that, in respect of any Global Securities, the person appearing as the accountholder for the Relevant Clearing System (the "**Accountholder**") shall be treated as the Holder for all purposes other than with respect to the payment or delivery of any amount due under the Securities (for which purpose the Common Depository or Common Safekeeper (or their respective nominee, as applicable), as the case may be, shall be treated by the Issuer and any Agent as the relevant Holder).

(b) **Title to CREST Securities**

The CREST Agent on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to CREST Securities and each person who is for the time being shown in the Record shall be treated by the Issuer and the Agents as the Holder of the particular nominal amount or number of CREST Securities, as the case may be, for all purposes (and the expression "**Holder**" and related expressions shall be construed accordingly for the purposes of the Conditions).

No provision of the Conditions shall apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to CREST Securities in uncertificated form, (ii) the transfer of title to CREST Securities by means of a relevant system or (iii) the Uncertificated Regulations. Without prejudice to the generality of the preceding sentence, so long as the CREST Securities are participating securities, (A) the Record shall be maintained at all times in the United Kingdom, (B) the CREST Securities will be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Regulations and (C) the Conditions shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title for such CREST Securities.

As used in these General Conditions, each of "**Operator**", "**Operator register of corporate securities**", "**participating security**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Regulations (and the relevant Operator is Euroclear UK & Ireland Limited or any additional or alternative Operator from time to time and notified to the Holders of CREST Securities).

(c) **Title to CREST Depository Interests**

Where the Final Terms specifies 'CDIs' to be 'Applicable' for a Series, investors may hold CREST Depository Interests ("**CDIs**") constituted and issued by the CREST Depository and representing indirect interests in such Securities. CDIs will be issued and settled through CREST.

Neither the Securities nor any rights with respect thereto will be issued, held, transferred or settled within CREST otherwise than through the issue, holding, transfer and settlement of CDIs. Holders of CDIs will not be entitled to deal directly in the Securities to which such CDIs relate (the "**Underlying Securities**"). Accordingly, all dealings in Securities represented by a holding of CDIs will be effected through CREST.

CDIs will be constituted and governed by the terms of the CREST Deed Poll. Holders of CDIs will have no rights against the Issuer, any Manager or any Agent in respect of the Underlying Securities, interests therein or the CDIs representing them.

(d) **Title to Danish Securities**

In respect of Danish Securities, the "**Holder**" will be the person evidenced as such by a book-entry in the book-entry system and register maintained by VP. Ownership of the Danish Securities will be transferred by registration in the register between the direct or nominee Accountholders at VP in accordance with the Securities Trading Act and the Danish VP Registration Order and the rules and procedures of the VP from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the Holder of the relevant Danish Securities.

(e) **Title to Finnish Securities**

In respect of Finnish Securities, the "**Holder**" will be the person in whose name a Finnish Cleared Security is registered in a book-entry account in the book-entry system of Euroclear Finland (including a nominee Accountholder, as the case may be) in accordance with Finnish laws and the Euroclear Finland Rules. Where a nominee is so evidenced, it shall be treated as the holder of the relevant Finnish Securities.

Notwithstanding any secrecy obligation, the Issuer shall, subject to the Relevant Rules and applicable laws, be entitled to obtain a list of the Holders and information on the Holders from Euroclear Finland (and Euroclear Finland shall be entitled to provide such information to the Issuer), provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall pass on such information to the Finnish Issue and Paying Agent upon request

(f) **Title to French Securities**

Title to French Securities will be evidenced in accordance with Articles L. 211–3 and R. 211–1 of the French Code *monétaire et financier* by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211–7 of the French Code *monétaire et financier*) will be issued in respect of French Securities.

In respect of French Securities, the holder of French Securities will be the person whose name appears in the account of the relevant Accountholder or of the Issuer or of the Registration Agent (as the case may be) as being entitled to such Securities and the term "**Holder**" shall be construed accordingly.

(g) **Title to Norwegian Securities**

In respect of Norwegian Securities, the "**Holder**" will be the person registered in the VPS System as the Holder of the Norwegian Securities. The Holder will hold the Norwegian Securities through its authorised VPS Accountholder either directly or through a nominee. Where a nominee is registered in the VPS as the Holder, it shall be treated by the Issuer as the Holder of the relevant Norwegian Securities.

(h) **Title to Swedish Securities**

In respect of Swedish Securities, the "**Holder**" will be the person in whose name a Swedish Security is registered in a book-entry account in the book-entry system of Euroclear Sweden (including a nominee Accountholder, as the case may be) in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (Sw. *Lag (1998:1479) om kontoföring av finansiella instrument*) and the Euroclear Sweden Rules. Where a nominee is so evidenced, it shall be treated as the holder of the relevant Swedish Securities.

Notwithstanding any secrecy obligation, the Issuer shall, subject to the Relevant Rules and applicable laws, be entitled to obtain a list of the Holders and information on the Holders from Euroclear Sweden (and Euroclear Sweden shall be entitled to provide

such information to the Issuer), provided that it is technically possible for Euroclear Sweden to maintain such a list. The Issuer shall pass on such information to the Swedish Issue and Paying Agent upon request.

(i) **Title to Swiss Securities and Swiss Cleared Securities**

In respect of Swiss Securities which constitute Intermediated Securities and Swiss Cleared Securities, the holder and legal owner of such Swiss Securities or Swiss Cleared Securities will be the person holding them in a securities account in his own name and for his own account with his depositary (*Verwahrungsstelle*) in accordance with the terms of the FISA (and the expression "**Holder**" as used herein shall be construed accordingly). The records of such depositary determine the number of Swiss Securities held by such Holder and the FISA grants each Holder the right to ask the depositary for information about Intermediated Securities that are credited to his or her account. The respective disclosure document (*Ausweis*) does not constitute a Swiss Security.

In respect of Swiss Securities which are issued in the form of uncertificated securities, but do not constitute Intermediated Securities, the holder and legal owner of such Swiss Securities will be the person registered as holder in the register of uncertificated securities and "**Holder**" shall be construed accordingly. In respect of Swiss Securities converted to certificated securities by the Issuer issuing a permanent global certificate or physical securities which are not Intermediated Securities, the holder and legal owner of such Swiss Securities will be the person(s) holding the permanent global certificate or physical securities (and the expression "**Holder**" as used herein shall be construed accordingly).

1.5 **Transfers**

(a) **Transfers of Cleared Securities**

- (i) *Cleared Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Securities, Norwegian Securities, Swedish Securities, Swiss Securities and Swiss Cleared Securities)*

Subject to General Condition 1.5(d) (*Minimum Tradable Amount*) below, transfers of Securities which are held in a Relevant Clearing System may be effected only through the Relevant Clearing System in which the Securities to be transferred are held and only in accordance with the Relevant Rules. Title will pass upon registration of the transfer in the books of Euroclear, Clearstream or the Euroclear France Accountholder, as the case may be.

- (ii) *Transfers of CREST Securities*

Transfers of CREST Securities are effected upon registration of the transfer in the Operator register of corporate securities and subject to and in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Operator (the "**CREST Requirements**").

Transfers of CREST Securities will be effected without charge by or on behalf of the Issuer, the Operator or the CREST Agent, but upon payment of any Taxes that may be imposed in relation to them (or the giving of such indemnity as the Issuer, the Operator or the CREST Agent may require).

- (iii) *Transfers of Danish Securities*

Danish Securities will be transferable only in accordance with the Securities Trading Act, the Danish VP Registration Order and the procedures applicable to and/or issued by VP from time to time.

(iv) *Transfers of Finnish Securities*

Transfers of Finnish Securities are effected upon entry in the Euroclear Finland Register and in accordance with the Relevant Rules and Finnish Act on the Book-entry System and Clearing Activity and the Finnish Act on Book-entry Accounts.

(v) *Transfers of French Securities*

Title to French Securities in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) will pass upon, and transfers of such Securities may only be effected through, registration of the transfers in the accounts of the Accountholders. Title to French Securities in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Securities may only be effected through, registration of the transfers in the accounts of the Issuer or of the Registration Agent.

(vi) *Transfers of Norwegian Securities*

Transfers of Norwegian Securities are effected upon entry in the VPS Register and in accordance with the Relevant Rules.

(vii) *Transfers of Swedish Securities*

Transfers of Swedish Securities are effected upon entry in the Euroclear Sweden Register and in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (*Sw. Lag (1998:1479) om kontoföring av finansiella instrument*) and the Relevant Rules.

(viii) *Transfers of Swiss Securities*

Swiss Securities constituting Intermediated Securities may solely be transferred and otherwise disposed of in accordance with the provisions of the FISA, being transferred and disposed of by instruction of the Holder to his depositary to transfer the Intermediated Securities and crediting the Intermediated Securities to the account of the transferee's depositary and the Holders shall at no time have the right to demand the conversion of uncertificated securities into, or the delivery of, a Global Security or physical securities; by contrast, the Issuer shall have the right to effect the conversion of the uncertificated securities into a Global Security and physical securities and vice versa.

**(b) Transfers of non-cleared Securities**

(i) *Non-cleared Bearer Securities*

Bearer Securities which are not Cleared Securities, Coupons and Talons will be transferred by delivery.

(ii) *Non-cleared Registered Securities*

Registered Securities which are not Cleared Securities may be transferred only through the Register by delivery in writing to the Registrar or any Transfer Agent of (A) the relevant Definitive Registered Security or Global Registered Security representing such Registered Securities to be transferred, (B) the duly completed form of transfer, or notice of redemption and surrender and (C) any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Securities, a new Definitive Registered Security shall be issued to the transferee in respect of the part transferred and a further new Definitive Registered Security or Global Registered Security in respect of the balance of the holding not transferred shall be issued to

the transferor. Transfers of part only of a holding of Registered Securities represented by a non-cleared Global Registered Security may only be made in part (aa) if an Exchange Event occurs, or (bb) with the consent of the Issuer, provided that, the registered Holder has given the Registrar not less than ten Business Days' notice at its specified office of the registered Holder's intention to effect such transfer. All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Securities scheduled to the Master Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and each Holder. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

Transfers of Registered Securities will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any Taxes that may be imposed in relation to it (or the giving of an indemnity as the Issuer, Registrar or the relevant Transfer Agent may require).

**(c) Registered Security closed periods**

No Holder may require the transfer of a Definitive Registered Security (i) on any day after the date any Delivery Entitlement Instruction (if earlier) is delivered by such Holder, (ii) after any such Definitive Registered Security has been called for redemption or (iii) during the period of seven calendar days ending on (and including) any Record Date.

**(d) Minimum Tradable Amount**

Transactions in the Securities may, if specified in the Final Terms, be subject to a Minimum Tradable Amount, in which case such Securities will be transferable only in a nominal amount, in the case of Notes, or in a number, in the case of Certificates, of not less than such Minimum Tradable Amount and, in the case of Cleared Securities, in accordance with the Relevant Rules.

**2. Status**

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer and rank equally among themselves. The payment obligations of the Issuer under the Securities will rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer (except for such obligations as may be preferred by provisions of law that are both mandatory and of general application). The Securities do not evidence deposits of the Issuer. The Securities are not insured or guaranteed by any government or government agency.

**3. Contractual acknowledgement of bail-in in respect of Swiss Securities**

By its acquisition of Swiss Securities, each Holder of Swiss Securities:

- (a) acknowledges and agrees to be bound by and consents to the exercise of any UK Bail-In Power by the Relevant UK Resolution Authority that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the Swiss Securities and/or the conversion of all, or a portion of, the principal amount of, or interest on, the Swiss Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the Conditions of the Swiss Securities, in each case, to give effect to the exercise by the Relevant UK Resolution Authority of such UK Bail-In Power; and
- (b) acknowledges and agrees that the rights of Holders of the Swiss Securities are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

Each Holder of the Swiss Securities that acquires its Swiss Securities in the secondary market shall be deemed to acknowledge and agree to be bound by and consent to the same provisions specified in the Conditions to the same extent as the Holders of the Swiss Securities that acquire the Swiss Securities upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the Conditions of the Securities, including in relation to the UK Bail-In Power.

The exercise of the UK Bail-In Power by the Relevant UK Resolution Authority with respect to Swiss Securities shall not constitute an Event of Default.

#### 4. **Calculations and publication**

##### 4.1 **Rounding**

For the purposes of any calculations required pursuant to the Conditions, unless otherwise specified, all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

##### 4.2 **Determination and publication of interest rates, Interest Amounts and amounts in respect of settlement**

As soon as practicable on such date as the Issue and Paying Agent or, as applicable, the Determination Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation in respect of or in connection with any Security, such Agent shall determine such rate, obtain any required quotation or make such determination or calculation, as the case may be, and cause the relevant payment amount to be notified to the Issuer, each of the Paying Agents, the Holders, any other Agent in respect of the Securities that is to make a payment, delivery or further calculation or determination upon receipt of such information and, if the Securities are listed and the rules of the relevant stock exchange or other relevant authority so require, such exchange or relevant authority, as soon as possible after their determination.

##### 4.3 **Calculation Amount**

###### (a) **Calculations in respect of Securities**

- (i) Notwithstanding anything to the contrary in the Conditions or the Master Agency Agreement:
  - (A) in respect of a Security for which a Specified Denomination is stated, each calculation of a physical amount deliverable in respect of such Security hereunder shall be made on the basis of the relevant Calculation Amount and the amount payable on any particular Security shall be equal to the product of (i) the amount produced by such calculation (after applying any applicable rounding in accordance with the Conditions) and (ii) a number equal to the Specified Denomination of the relevant Security divided by the relevant Calculation Amount; and
  - (B) each calculation of an amount payable in cash in respect of each Security (other than Definitive Securities) shall be based on the aggregate nominal amount or number of all such Securities outstanding on such date (or the relevant affected portion thereof), rounded in accordance with the method provided in General Condition 4.1 (*Rounding*) above and distributed in accordance with the Relevant Rules.



- (ii) For the avoidance of doubt, in relation to any amount or entitlement which is payable or deliverable under the Conditions in respect of a Security and which is calculated by reference to a Calculation Amount, references to (A) 'Security', in the case of Securities that are Notes, shall mean a Security having a nominal amount (or face value) equal to the Calculation Amount and (B) an amount 'per Calculation Amount', in the case of Certificates, shall mean per Security.

#### 4.4 Business Day Convention

If any date specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day and where in each case the Final Terms specifies the 'Business Day Convention' to be:

- (a) 'Floating Rate', such date shall be postponed to the next day which is a Business Day unless it would thereby fall in 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 in the month in which such date would have fallen had it not been subject to adjustment;
- (b) 'Following', such date shall be postponed to the next day that is a Business Day;
- (c) 'Modified Following', such date shall be postponed to the next day that is a Business Day unless it would fall in the next calendar month, in which case such date shall be brought forward to the immediately preceding Business Day;
- (d) 'Nearest', such date shall be brought forward to the first preceding day that is a Business Day if the relevant date otherwise falls on a day other than a Sunday or a Monday and shall be postponed to the first following day that is a Business Day if the relevant date otherwise falls on a Sunday or a Monday; or
- (e) 'Preceding', such date shall be brought forward to the immediately preceding Business Day.

Swedish Securities shall only apply 'Following' or 'Modified Following' Business Day Conventions.

### 5. Payments and deliveries

#### 5.1 Payments and deliveries in respect of Definitive Bearer Securities

In respect of any Definitive Bearer Security, payments of principal will be made against and subject to the presentation and surrender (or, in the case of part payment, endorsement) of the relevant Definitive Bearer Security at the specified office of any Paying Agent outside the United States, by a cheque drawn in the currency in which payment is due, or by transfer to an account with an Account Bank denominated in such currency, as applicable. Payments of interest will be made as set out above but against and subject to the presentation and surrender of the relevant Coupon. Deliveries of any Entitlement shall be made in the manner notified to Holders.

Notwithstanding the foregoing, payments of principal or interest may be made in United States dollars at the specified office of any Paying Agent in New York City if (a) the Issuer has appointed Paying Agents with offices outside of the United States with the reasonable expectation that such Paying Agents would be able to make payment in United States dollars, (b) payment of the full amount of such interest or principal in United States dollars at the offices of such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (c) payment is permitted by applicable United States law, without involving, in the determination of the Issuer, any adverse tax consequences to the Issuer.

## 5.2 **Payments and Deliveries in respect of Definitive Registered Securities**

Payments of principal and deliveries of any Entitlement in respect of each Definitive Registered Security will be made against and subject to the condition to settlement, presentation and surrender of the relevant Definitive Registered Security at the specified office of the Registrar or any of the Transfer Agents and in the manner provided in the immediately following paragraph below.

Payments of interest in respect of each Definitive Registered Security will be made on the relevant due date to the Holder, or the first-named of any joint Holders appearing in the Register at the close of business on the relevant Record Date, by cheque drawn on an Account Bank and mailed to such Holder at the address in the Register, or by electronic transfer to an account in the relevant currency maintained by the payee with an Account Bank. Delivery of any Entitlement will be made in the manner notified to Holders.

## 5.3 **Payments and Deliveries in respect of Global Securities**

### (a) **Global Bearer Securities**

No payment or delivery falling due after the Exchange Date will be made on any Global Bearer Securities unless exchange for an interest in a Permanent Global Security or for Definitive Bearer Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Master Agency Agreement.

### (b) **CGNs**

All payments and deliveries in respect of Bearer Securities in CGN Form will be made against and subject to presentation for endorsement and, if no further payment or delivery falls to be made in respect of the Global Bearer Securities, surrender of that Global Bearer Security to or to the order of the Issue and Paying Agent or such other Paying Agent as shall have been notified to the Holders for such purpose.

### (c) **NGNs and Global Securities held under NSS**

If a Global Bearer Security is a Cleared Security in NGN Form or a Global Registered Security is a Cleared Security held under the NSS, the Issuer shall procure that details of each such payment and delivery shall be entered in the records of the Relevant Clearing System. Payments and deliveries in respect of Securities in NGN Form will be made to its Holder. Each payment and delivery so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the Relevant Clearing System shall not affect such discharge.

### (d) **Global Registered Securities that are Cleared Securities**

All payments and deliveries in respect of Cleared Securities that are represented by a Global Registered Security will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Record Date.

### (e) **Relationship of Accountholders and Relevant Clearing Systems**

Each of the persons shown in the records of the Relevant Clearing System as the Holder represented by a Global Security must look solely to the Relevant Clearing System for his share of each payment or delivery made by the Issuer to the bearer of such Global Bearer Security or the Holder of the underlying Registered Securities. The obligations of the Issuer will be discharged by payment or delivery to the bearer of such Global Bearer Security or the Holder of the underlying Registered Security, as the case may be, in respect of each amount so paid or delivered.

#### 5.4 **Payments and Deliveries in respect of CREST Securities**

The Issuer shall procure that all payments in respect of CREST Securities are made to the relevant Holder's cash memorandum account for value on the Relevant Date, such payment to be made in accordance with the CREST Requirements.

Each of the persons shown in the Record as the Holder of a particular nominal amount or number of CREST Securities must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

#### 5.5 **Payments and Deliveries in respect of Danish Securities**

Payments of principal and interest in respect of Danish Securities will be made to the Holders of the Danish Securities on the fifth Danish Business Day (or such other day which may become customary on the Danish bond market in respect of Danish Securities, which in respect of Danish Securities denominated in Danish kroner is expected to be the third Danish Business Day) prior to the Interest Payment Date or the Scheduled Redemption Date, as the case may be, all in accordance with the Relevant Rules.

#### 5.6 **Payments and Deliveries in respect of Finnish Securities**

Payments of principal and interest in respect of the Finnish Securities will be made to the Holders of the Finnish Securities (appearing on the register maintained by Euroclear Finland in accordance with the Relevant Rules at the close of business on the third Helsinki Business Day before the Relevant Date) in accordance with the Finnish Act on the Book-entry System and Clearing Activity (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), the Finnish Act on Book-entry Accounts (*laki arvo-osuustileistä* (872/1991)), other applicable Finnish legislation and the Relevant Rules.

#### 5.7 **Payments and Deliveries in respect of French Securities**

Payments of principal and interest in respect of French Securities shall, in the case of French Securities in bearer form (*au porteur*) or administered registered form (*au nominatif administré*), be made by transfer to the account denominated in the relevant currency of the relevant Accountholders for the benefit of the Holders of such Securities and, in the case of French Securities in fully registered form (*au nominatif pur*), to an account denominated in the relevant currency with a Receiving Bank designated by the relevant Holder of such Securities. All payments validly made to such Accountholders will be an effective discharge of the Issuer in respect of such payments.

For the purpose of this General Condition 5.7, "**Receiving Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET System.

#### 5.8 **Payments and Deliveries in respect of Norwegian Securities**

The Issuer will ensure that all payments to Holders of Norwegian Securities will be made through the VPS System and with the assistance of the Norwegian Issue and Paying Agent and Accountholder for the Issuer in the VPS System and in accordance with the Relevant Rules.

#### 5.9 **Payments and Deliveries in respect of Swedish Securities**

Payments of principal and interest in respect of the Swedish Securities will be made to the Holders of the Swedish Securities (appearing on the register maintained by Euroclear Sweden in accordance with the Relevant Rules at the close of business on (i) in respect of principal and interest payments on Securities issued in notional, the fifth and (ii) in respect of principal payments on Securities issued in units, the fourth and (iii) in respect of interest

payments on Securities issued in units, the fifth, Stockholm Business Day before the Relevant Date) in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (*Sw. Lag (1998:1479) om kontoföring av finansiella instrument*) and the Relevant Rules.

#### **5.10 Payments and Deliveries in respect of Swiss Securities**

Payments of principal and interest as well as deliveries in respect of Swiss Securities or other Securities held through SIS shall be made, subject to applicable fiscal and other laws and regulations of the Relevant Clearing System(s), to the Relevant Clearing System(s) or to its/their order for credit to the account(s) of the relevant Accountholder(s) in accordance with the Relevant Rules. The Issuer and the Swiss Issue and Paying Agent shall be discharged by payment or delivery to, or to the order of, such Accountholders. Swiss Securities shall not be physically delivered as long as no definitive securities (*Wertpapiere*) are printed. Swiss Securities may be printed in whole but not in part.

#### **5.11 Unmatured Coupons and unexchanged Talons**

##### **(a) Unmatured Coupons and unexchanged Talons void**

Upon the due date for redemption of any Definitive Bearer Security, unexpired Coupons and unexchanged Talons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them.

##### **(b) Requirement for indemnity**

Where any Definitive Bearer Security is presented for redemption without all unexpired Coupons or any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

#### **5.12 Taxes, Settlement Expenses and conditions to settlement**

Payment of any Settlement Amount and delivery of any Entitlement shall be subject to deduction, or conditional upon payment by the relevant Holder(s), of any applicable Taxes and (unless specified to be 'Not Applicable' in the Final Terms) Settlement Expenses and any other amounts payable as specified in the Conditions. The Issuer shall notify the Holder(s) of (a) such applicable Taxes, Settlement Expenses and other amounts payable and (b) the manner in which such amounts shall be paid by the Holder(s).

#### **5.13 Payments on Business Days**

Subject to the application of any Business Day Convention, if the date on which any amount is payable is not (i) a Business Day (or, in respect of Swedish Securities only, a Stockholm Business Day) and (ii) in the case of Definitive Securities only, 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 dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, then payment will not be made until the next succeeding day which is (A) a Business Day (or, in respect of Swedish Securities only, a Stockholm Business Day) and (B) in the case of Definitive Securities only, also 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 dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, and the Holder thereof shall not be entitled to any further payment in respect of such delay.

### **6. Settlement**

#### **6.1 Physical Settlement by Delivery of the Entitlement**

##### **(a) Delivery of Entitlement**

The following provisions apply to the delivery of all Entitlements in respect of Securities:

- (i) The Issuer shall, subject to this General Condition 6, General Condition 4 (*Calculations and publication*) and General Condition 5 (*Payments and deliveries*), on any relevant Physical Delivery Date, deliver or procure the delivery of the relevant Entitlement in respect of each Security to such account in respect of Cleared Securities in the Relevant Clearing System in accordance with the Relevant Rules and, in respect of all other Securities, such account as may be notified by the relevant Holder to the Issuer in the relevant Delivery Entitlement Instruction at the risk and expense of the relevant Holder. If a Holder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer and/or the Relevant Clearing System, if applicable, to effect any required delivery of the Entitlement, the due date for such delivery shall be postponed accordingly. The Issuer and the Relevant Clearing System, if applicable, shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "**delivery**" means, in relation to any Entitlement, the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Entitlement and "**deliver**" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of any Entitlement once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition or transfer of the Entitlement or any interest therein by any Holder or any other person.
  - (ii) No Holder will be entitled to receive dividends declared or paid in respect of any Underlying Asset or to any other rights relating to or arising out of any such component of the Entitlement if the record date for the relevant dividend or relevant right in respect of such components and Entitlement falls before the relevant Physical Delivery Date.
  - (iii) Delivery of any Entitlement shall be subject to the condition to settlement in General Condition 5.12 (*Taxes, Settlement Expenses and conditions to settlement*).
  - (iv) The Issuer will endeavour to deliver (or procure delivery of) the relevant Entitlement to the Holder on the relevant Physical Delivery Date. In the event that a Holder requests that delivery of the Entitlement be made at a location or in a method that is different from that specified in the Conditions, the Issuer may (but is not obliged to) seek to deliver the Entitlement to such location and/or by such method, provided that no additional unreimbursed costs are incurred. The Issuer shall, subject as provided below, on the relevant Physical Delivery Date, deliver or procure the delivery of the Transfer Documentation relating to the Entitlement (or, in the case of an Underlying Asset that is an equity unit, the Transfer Documentation in respect of such equity unit) to or to the order of the Holder or to such bank or broker as the Holder has specified in the relevant Delivery Entitlement Instruction.
  - (v) All Entitlements will be delivered at the risk of the relevant Holder.
  - (vi) In respect of Norwegian Securities and Danish Securities, the Entitlements may not necessarily be registered in the VPS or the VP, respectively.
- (b) **Settlement Disruption Event**

Subject to General Condition 6.1(c) (*Alternate Cash Amount*), if, in the opinion of the Determination Agent, delivery of an Entitlement or any portion thereof is (or is likely to become) impossible or impracticable by reason of a Settlement Disruption Event

having occurred and continuing on the relevant Physical Delivery Date (the assets constituting such Entitlement or portions thereof (the "**Affected Assets**")), then such Physical Delivery Date shall be postponed to the first following Relevant Settlement Day in respect of which there is no such Settlement Disruption Event, provided that:

- (i) the Issuer shall attempt to deliver any portion of the Entitlement which does not comprise Affected Assets, on the originally designated Physical Delivery Date;
- (ii) the Issuer may elect to satisfy its obligations in respect of the relevant Security by delivering some or all of the Affected Assets in such manner as it may determine and in such event the relevant Physical Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner; and
- (iii) in respect of any Affected Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect to satisfy its obligations in respect of the relevant Security by payment to the relevant Holder of the Disruption Cash Settlement Price on the Disruption Cash Settlement Date.

The Determination Agent shall give notice as soon as practicable to the Holders that a Settlement Disruption Event has occurred and payment of the Disruption Cash Settlement Price will be made, subject to this General Condition 6 (*Settlement*) and General Condition 4 (*Calculations and publication*) and General Condition 5 (*Payments and deliveries*), in such manner as shall be notified. No Holder shall be entitled to any additional amount in the event of any delay in the delivery of the Entitlement or payment of the Disruption Cash Settlement Price due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer and/or the Determination Agent.

(c) **Alternate Cash Amount**

Notwithstanding any provisions set out in General Condition 12.2 (*Merger Events, Nationalisation, Insolvency, Insolvency Filing, Delisting and Tender Offers*), where the Final Terms specifies 'Entitlement Substitution' to be 'Applicable', if the Issuer determines that (i) all or part of the Entitlement comprises securities, instruments or obligations that are not freely transferable, and/or (ii) it is not able to (or reasonably expects not to be able to) acquire all or part of the Entitlement in the secondary market in time to deliver the Entitlement when due under the Securities as a result of illiquidity, and/or (iii) the price of all or part of the Entitlement has been materially affected as a result of illiquidity (each an "**Entitlement Substitution Event**"), (in each case, such components of the Entitlement constituting the "**Affected Entitlement Components**"), the Issuer may elect to not deliver or procure the delivery of the Affected Entitlement Components to the relevant Holders, but, subject to this General Condition 6 (*Settlement*) and General Condition 4 (*Calculations and publication*) and General Condition 5 (*Payments and deliveries*), in lieu thereof to make payment of the Alternate Cash Amount to the relevant Holders on the Alternate Cash Amount Settlement Date.

Notification of the determination of an Entitlement Substitution Event and any Alternate Cash Amount and Alternate Cash Amount Settlement Date will be given to Holders by the Issuer as soon as reasonably practicable.

(d) **Liability**

Redemption of the Securities, payments by the Issuer and any Agent and any delivery of an Entitlement, in whole or in part, by or on behalf of the Issuer and/or any Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations and the Relevant Rules) and none of the Issuer, the Relevant

Clearing System or any Agent shall incur any liability whatsoever if it is unable to effect any payments or deliveries contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in the performance of their respective duties in relation to the Securities or, in relation to the delivery of the Entitlement, the acts or defaults of any relevant Exchange.

## 6.2 Conditions to settlement

If the Issuer determines that any condition to settlement to be satisfied by a Holder has not been satisfied in respect of the Securities on or prior to the date on which settlement would otherwise have been scheduled to occur, payment or delivery of the relevant Settlement Amount or Entitlement shall not become due until the date on which all conditions to settlement have been satisfied in full (such Settlement Amount or Entitlement, the "**Conditional Settlement Amount**"). No additional amounts shall be payable or deliverable as a result of any such delay or postponement.

The conditions to settlement to be satisfied by a Holder include, without limitation, (a) receipt of all instructions, certifications (including pursuant to General Condition 5.11 (*Unmatured Coupons and unexchanged Talons*)) and information by the Issuer, the Issue and Paying Agent and the Relevant Clearing System, as applicable, required by the Issuer, the Issue and Paying Agent and/or the Relevant Clearing System to effect payment or delivery of the relevant Settlement Amount or Entitlement to the Holder (or to its order) within the required time period, (b) the conditions to settlement in General Condition 5.12 (*Taxes, Settlement Expenses and conditions to settlement*), (c) the deposit of a duly completed Delivery Entitlement Instruction or any other applicable notice in accordance with the Conditions, as applicable, and (d) the deposit, presentation or surrender of the relevant Security, as applicable.

If the conditions to settlement to be satisfied by a Holder have not been satisfied by (i) 10:00 a.m., London time, if the Securities are not Cleared Securities or (ii) 10:00 a.m., Luxembourg or Brussels time, or such other time as determined by the Determination Agent as appropriate for the Relevant Clearing System, on the day that is the number of calendar days equal to the Settlement Number following the applicable Final Settlement Cut-off Date (the "**Security Settlement Cut-off Date**"), the relevant conditions to settlement will not be capable of being satisfied. With effect from the Security Settlement Cut-off Date, the relevant Holder shall have no right to receive any payment or delivery of the Conditional Settlement Amount and shall have no claim against the Issuer in relation thereto.

## 6.3 Postponement of payments and settlement

If the determination of a price or level used to calculate any amount payable or deliverable on any Payment Date or Physical Delivery Date is delayed or postponed pursuant to the Conditions, payment or settlement will occur on the later of (a) the scheduled Payment Date or Physical Delivery Date (as applicable), or (b) the third Business Day following the latest Valuation Date, Averaging Date or Lookback Date to occur, as the case may be. No additional amounts shall be payable or deliverable by the Issuer because of such postponement.

## C. INTEREST, AUTOMATIC REDEMPTION (AUTOCALL), FINAL REDEMPTION AND NOMINAL CALL EVENT

### 7. Interest

#### (a) Interest Type

The Final Terms will specify whether the type of interest which the Securities pay is:

- Fixed;
- Floating;
- Snowball;
- Phoenix without Memory;
- Phoenix with Memory;
- Phoenix One Touch – Daily;
- Phoenix One Touch – Continuous;
- Phoenix No Touch – Daily;
- Phoenix No Touch – Continuous;
- Range Accrual; or
- Knock-out.

(b) **Certain information to be found in the Final Terms**

The Final Terms will contain provisions applicable to the determination of interest (if any) and must be read in conjunction with this General Condition 7 for full information on the manner in which interest is calculated on the Securities. In particular, the Final Terms will specify the following items where relevant to the particular Securities:

- the Fixed Interest Rate(s);
- information relating to the Floating Rate;
- the Interest Payment Date(s);
- the Calculation Amount;
- the Interest Barrier Percentage(s);
- the Interest Valuation Date(s);
- the Fixed Interest Determination Date(s);
- the Floating Interest Determination Date(s);
- the Lower Barrier Percentage;
- the Upper Barrier Percentage;
- the Knock-out Barrier Percentage;
- the Day Count Fraction;
- the Margin;
- the Maximum Interest Rate;
- the Minimum Interest Rate; and
- the Observation Date(s).

**7.1 Fixed**

(a) **Interest Type and Application**

Where the Final Terms specifies 'Interest Type' to be 'Fixed', then this General Condition 7.1 will apply to the Securities.

(b) **Accrual of interest and when paid**

Where the Final Terms specifies 'Fixed Interest Type' to be 'Per Annum', each such Security bears interest from (and including) the Interest Commencement Date at the per annum Fixed Interest Rate. Provided that the Securities have not been redeemed or purchased and cancelled prior to the relevant Interest Payment Date, interest will be payable in respect of each Interest Calculation Period on the Interest Payment Date falling on or about the end of each such Interest Calculation Period.

(c) **Interest Amount**

The "**Interest Amount**" per Calculation Amount payable on an Interest Payment Date shall be calculated as follows:



- (i) where the Final Terms specifies 'Fixed Interest Type' to be 'Per Annum':

$\text{Fixed Interest Rate} \times \text{Calculation Amount} \times \text{Day Count Fraction}$

- (ii) where the Final Terms specifies 'Fixed Interest Type' to be 'Fixed Amount':

$\text{Fixed Interest Rate} \times \text{Calculation Amount}$

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Fixed Interest Determination Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

(d) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Day Count Fraction"** means the fraction equal to the number of days of the relevant Interest Calculation Period divided by the number of days of the year, in each case as determined by the applicable convention, which may be any of 'Actual/Actual(ICMA)', 'Act/Act(ICMA)', 'Actual/Actual', 'Actual/Actual (ISDA)', 'Actual/365 (Fixed)', 'Actual/360', '30/360', '360/360', 'Bond Basis', '30E/360', 'Eurobond Basis', '30E/360 (ISDA)' (each as defined in General Condition 35.1 (*Definitions*) in the definition 'Day Count Fraction Conventions'), as specified in the Final Terms.
- **"Fixed Interest Determination Date"** means each date specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Interest Calculation Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the next succeeding 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, as applicable.
- **"Interest Payment Date"** means, in relation to a Fixed Interest Determination Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).

**7.2 Floating**

(a) **Interest Type and application**

Where the Final Terms specifies 'Interest Type' to be 'Floating', then this General Condition 7.2 will apply to the Securities.

(b) **Accrual of interest and when paid**

Each Security bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate of Interest applicable for that Interest Calculation Period, as determined below. Provided that the Securities have not been redeemed or purchased and cancelled prior to the relevant Interest Payment Date, interest will be payable on the Interest Payment Date falling on or about the end of each such Interest Calculation Period.

(c) **Interest Amount**

(i) **Calculation of Interest Amount**

The "**Interest Amount**" per Calculation Amount payable on an Interest Payment Date shall be calculated by the Determination Agent by multiplying the Rate of Interest for the corresponding Interest Calculation Period by the Calculation Amount, and then further multiplying such amount by the applicable Day Count Fraction.

The Interest Amount calculation can also be expressed formulaically as:

$$\text{Rate of Interest} \times \text{Calculation Amount} \times \text{Day Count Fraction}$$

(ii) **Determination of Rate of Interest**

Subject to paragraph (iii) immediately below, the rate of interest (the "**Rate of Interest**") for an Interest Payment Date will be calculated as the sum of (1) the Floating Rate determined for such Interest Payment Date in accordance with paragraph (d) (*Floating Rate*) immediately below, and (2) the 'Margin' rate specified in the Final Terms (which may be negative) (the "**Margin**").

The Rate of Interest calculation can also be expressed formulaically as:

$$(\text{Floating Rate} + \text{Margin})$$

(iii) **Maximum and Minimum Rate**

If the Final Terms specifies a Maximum Interest Rate percentage ("**Maximum Interest Rate**") and/or a Minimum Interest Rate percentage ("**Minimum Interest Rate**"), then the Rate of Interest shall be no higher than the Maximum Interest Rate and/or lower than the Minimum Interest Rate (and in no event shall any Rate of Interest be lower than zero).

(d) **Floating Rate**

The Final Terms will specify whether the Floating Rate for each Interest Payment Date shall be determined in accordance with either: (1) 'Floating Rate Determination' (in which case paragraph (i) below will apply); (2) 'CMS Rate Determination' (in which case paragraph (ii) below will apply); or (3) 'Bank of England Base Rate Determination' (in which case paragraph (iii) below will apply).

In each case, if the Final Terms specifies 'Linear Interpolation' to be 'Applicable', and in respect of any Interest Calculation Period as specified in the Final Terms, the Determination Agent will determine the relevant Floating Rate using Linear Interpolation.

(i) **Floating Rate Determination**

Where the Final Terms specifies 'Floating Rate Determination' to be 'Applicable' ("**Floating Rate Determination**"), the Floating Rate of interest for each Interest Calculation Period ending on or about an Interest Payment Date will be as follows:

- (A) If the Reference Rate is a floating rate other than EONIA, the relevant Floating Rate of interest will, subject as provided below, be either:
- (1) the offered quotation (where the Final Terms specifies 'Offered Quotation' to be 'Applicable'); or
  - (2) the arithmetic mean of the offered quotations (where the Final Terms specifies 'Arithmetic Mean' to be 'Applicable'),

in each case expressed as a percentage rate per annum, for the Reference Rate of the relevant Designated Maturity which appear(s) on the Relevant Screen Page as at the Relevant Screen Time on the Interest Determination Date relating to such Interest Payment Date. In the case of (2) above only, if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Determination Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (B) If the Final Terms specifies 'Reference Rate' to be 'EONIA', the relevant Floating Rate of interest will be the rate of return of a daily compound interest investment with the arithmetic mean of the daily rates of the day-to-day Eurozone interbank euro money market as reference rate and which will be calculated by the Determination Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards ("EONIA"):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

" $d_o$ ", for any Interest Calculation Period, is the number of TARGET Business Days in the relevant Interest Calculation Period;

" $i$ " is a series of whole numbers from one to  $d_o$ , each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day, in the relevant Interest Calculation Period;

" $\text{EONIA}_i$ ", for any day " $i$ " in the relevant Interest Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Relevant Screen Page in respect of that day;

" $n_i$ " is the number of calendar days in the relevant Interest Calculation Period on which the rate is  $\text{EONIA}_i$ ; and

" $d$ " is the number of calendar days in the relevant Interest Calculation Period

(ii) **CMS Rate Determination**

Where the Final Terms specifies 'CMS Rate Determination' to be 'Applicable' ("**CMS Rate Determination**"), the Floating Rate of interest for each Interest Calculation Period ending on or about an Interest Payment Date will be the relevant CMS Reference Rate for such Interest Calculation Period.

The CMS Reference Rate in respect of an Interest Calculation Period or any relevant day (as applicable) will be the Specified Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Screen Time on the Interest Determination Date in respect of such Interest Calculation Period or such relevant day.

(iii) **Bank of England Base Rate Determination**

Where the Final Terms specifies 'Bank of England Base Rate Determination' to be 'Applicable' ("**Bank of England Base Rate Determination**"), the Floating Rate for an Interest Payment Date will be the most recently published rate for deposits for a period equal to the Designated Maturity which appears on the Reuters Screen Page UKBASE as of 5:00 p.m., London time, on the relevant Floating Interest Determination Date.

(iv) **Floating Rate Disruption**

With respect to the determination of a Floating Rate of interest in accordance with (i) or (ii) above, as applicable, and unless a Reference Rate Discontinuance (as defined below) has occurred, in which case General Condition 7.2(d)(v) (*Reference Rate Discontinuance*) shall apply, if, on any Interest Determination Date, the Relevant Screen Page for the Reference Rate (or EONIA<sub>i</sub>) is not available, or (in the case of General Condition 7.2(d)(i)(A)(1) above) no such offered quotation appears on the Relevant Screen Page or (in the case of General Condition 7.2(d)(i)(A)(2) above), fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, or on any TARGET Business Day pursuant to Condition 7.2(d)(i)(B) above EONIA<sub>i</sub> is not available on the Relevant Screen Page (such Reference Rate, a "**Disrupted Reference Rate**" and each such event, a "**Floating Rate Disruption**"), the Determination Agent shall determine the Floating Rate of interest in respect of such Interest Determination Date (or EONIA<sub>i</sub>, in respect of the relevant TARGET Business Day, as applicable) in accordance with the following methodologies, as applicable depending on the Designated Maturity of the relevant Reference Rate or whether the Disrupted Reference Rate is EONIA:

- (A) If the Designated Maturity of the relevant Reference Rate is 12 months or less:
- (1) the Determination Agent shall determine the Floating Rate in respect of such Interest Determination Date using Linear Interpolation;
  - (2) if the Determination Agent determines that one or both of the rates to be used for the purposes of Linear Interpolation in accordance with sub-paragraph (1) immediately above are unavailable, the Floating Rate in respect of such Interest Determination Date shall be the last published offered quotation(s) for the Reference Rate that appeared on the Relevant Screen Page, provided that the last published quotation(s) may not be earlier than the fifth Business Day prior to the Interest Determination Date;
  - (3) if the Determination Agent determines that no offered quotation was published (or in the case of General Condition 7.2(d)(i)(A)(2) above, fewer than three such offered quotations were published) for the Reference Rate in accordance with and during the period provided in sub-paragraph (2) immediately above, the Floating Rate in respect of the relevant Interest Determination Date shall be determined using Linear Interpolation save that the Interest Determination Date for such purpose will be deemed to be the immediately preceding Business Day on which the rates to be used for Linear Interpolation are both available on the Relevant Screen Page, provided that the last published rate for such purpose may not be earlier than the fifth Business Day prior to the Interest Determination Date;
  - (4) if the Determination Agent determines that the rates to be used for the purposes of Linear Interpolation in accordance with and during the period provided in sub-paragraph (3) immediately above are

unavailable, the Floating Rate for such Interest Payment Date shall be such other rate as determined by the Determination Agent.

- (B) If the Designated Maturity of the relevant Reference Rate is more than 12 months:
- (1) the Determination Agent shall request each of the Reference Banks to provide the Determination Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate of the relevant Designated Maturity as soon as practicable after the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Determination Agent with such offered quotations, the Floating Rate in respect of such Interest Payment Date shall be the arithmetic mean of such offered quotations;
  - (2) if the Determination Agent determines that fewer than two Reference Banks are providing offered quotations in accordance with sub-paragraph (1) immediately above, the Floating Rate in respect of such Interest Determination Date shall be determined by postponing the relevant Interest Determination Date to the first succeeding Business Day on which the Floating Rate Disruption ceases to exist, provided that for such purpose the Interest Determination Date shall not be postponed for more than two Business Days after the date on which the Interest Determination Date was originally scheduled to fall;
  - (3) if the Determination Agent determines that it is unable to determine the Floating Rate in accordance with and during the period provided in sub-paragraph (2) immediately above, the Floating Rate in respect of such Interest Determination Date shall be such other rate as determined by the Determination Agent.
- (C) If the Disrupted Reference Rate is EONIA<sub>i</sub>:
- (1) EONIA<sub>i</sub> in respect of the relevant TARGET Business Day shall be the last published offered quotation for EONIA<sub>i</sub> that appeared on the Relevant Screen Page, provided that the last published quotation may not be earlier than the fifth Business Day prior to the relevant TARGET Business Day;
  - (2) if the Determination Agent determines that no offered quotation was published for EONIA<sub>i</sub> in accordance with and during the period provided in sub-paragraph (1) immediately above, EONIA<sub>i</sub> in respect of the relevant TARGET Business Day shall be such other rate as determined by the Determination Agent.
- (v) **Reference Rate Discontinuance** With respect to the determination of a Floating Rate of interest in accordance with (i) or (ii) above, if on (or prior to) any Interest Determination Date, the Determination Agent determines that the relevant Reference Rate has been discontinued or has otherwise ceased to exist (such Reference Rate, a "**Discontinued Reference Rate**" and such event, a "**Reference Rate Discontinuance**"), the Determination Agent shall determine the Floating Rate of interest for the relevant Interest Payment Date in accordance with the following methodologies, as applicable: If the Discontinued Reference Rate is not EONIA<sub>i</sub>:
- (1) the Determination Agent shall select a substitute or successor rate of interest that it determines is comparable to the Discontinued Reference Rate to replace such Discontinued Reference Rate, and shall replace the Discontinued Reference Rate by such substitute or successor rate of

interest with effect from the date as determined by the Determination Agent and such substitute or successor reference rate will be deemed to be the Reference Rate with effect from such date. The Determination Agent may make such adjustments that it determines to be appropriate, if any, to any one or more of the Conditions or other terms of the Securities, including without limitation, any Condition or term relevant to the settlement or payment under the Securities, as the Determination Agent determines appropriate to account for such replacement;

- (2) if the Determination Agent determines that no substitute or successor rate is available for the purpose of sub-paragraph (1) immediately above, then, with effect from and including the date on which the relevant Reference Rate has been discontinued or has otherwise ceased to exist, the Floating Rate in respect of such Interest Determination Date, and any subsequent Interest Determination Date, shall be determined using Linear Interpolation;
- (3) if the Determination Agent determines that one or both of the rates to be used for the purpose of Linear Interpolation in accordance with (2) immediately above are unavailable, the Floating Rate for such Interest Payment Date shall be such other rate as determined by the Determination Agent.

(B) If the Discontinued Reference Rate is EONIA<sub>i</sub>

- (1) the Determination Agent shall select a substitute or successor reference rate that it determines is comparable to the Discontinued Reference Rate to replace such Discontinued Reference Rate, and shall replace the Discontinued Reference Rate by such substitute or successor reference rate with effect from the date as determined by the Determination Agent and such substitute or successor reference rate will be deemed to be the Reference Rate with effect from such date. The Determination Agent may make such adjustments that it determines to be appropriate, if any, to any one or more of the Conditions or other terms of the Securities, including without limitation, any Condition or term relevant to the settlement or payment under the Securities, as the Determination Agent determines appropriate to account for such replacement;
- (2) if the Determination Agent determines that no substitute or successor reference rate is available for the purpose of sub-paragraph (1) immediately above, EONIA<sub>i</sub> in respect of the relevant TARGET Business Day shall be such other rate as determined by the Determination Agent.

(vi) **Bank of England Base Rate fallbacks**

With respect to the determination of a Floating Rate of interest in accordance with (iii) above, if the Reuters Screen Page UKBASE is not available, the Floating Rate for the relevant Interest Payment Date shall be determined by reference to a replacement page as selected by the Determination Agent.

If the Determination Agent determines that no suitable replacement page exists, the Floating Rate for an Interest Payment Date will be determined by the Determination Agent.

(e) **Relevant defined terms**

For the purposes of this General Condition 7.2, the following terms shall have the following meanings (and any other defined terms shall have the meaning set out in General Condition 35.1 (*Definitions*)):

- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Day Count Fraction**" means the fraction equal to the number of days of the relevant Interest Calculation Period divided by the number of days of the year, in each case as determined by the applicable convention, which may be any of 'Actual/Actual(ICMA)', 'Act/Act(ICMA)', 'Actual/Actual', 'Actual/Actual (ISDA)', 'Actual/365 (Fixed)', 'Actual/360', '30/360', '360/360', 'Bond Basis', '30E/360', 'Eurobond Basis', '30E/360 (ISDA)' (each as defined in General Condition 35.1 (*Definitions*) in the definition 'Day Count Fraction Conventions'), as specified in the Final Terms.
- "**Designated Maturity**" means, in respect of:
  - (iii) each of the CMS Rate Determination or Floating Rate Determination, as applicable, the period of time specified in respect of each such rate in the Final Terms; and
  - (iv) Bank of England Base Rate Determination, daily, or as otherwise specified in the Final Terms.
- "**Floating Interest Determination Date**" means each date specified as such in the Final Terms.
- "**Floating Rate**" means, in respect of an Interest Calculation Period, the percentage rate of interest per annum for the relevant Interest Calculation Period calculated in accordance with paragraph (d) (*Floating Rate*) above.
- "**Interest Calculation Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the next succeeding 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, as applicable.
- "**Interest Payment Date**" means, in relation to an Interest Valuation Date:
  - (a) each date specified as such in the Final Terms (provided that, if the Interest Determination Date is postponed pursuant to Condition 7.2(d)(iv)(B)(2), such date shall be postponed by an equal number of Business Days); or
  - (b) each date falling the number of Business Days specified in the Final Terms after the Interest Determination Date (after adjustment due to postponement pursuant to Condition 7.2(d)(iv)(B)(2), if applicable).

subject in each case to an adjustment in accordance with the Business Day Convention.
- "**Margin**" means the rate specified as such in the Final Terms or, if no such rate is so specified, zero.
- "**Maximum Interest Rate**" means, if applicable, the rate specified as such in the Final Terms.
- "**Minimum Interest Rate**" means, if applicable, the rate specified as such in the Final Terms.

- **"Reference Currency"** means the currency specified as such in the Final Terms;
- **"Reference Banks"** means the principal office of four major banks in the Relevant Interbank Market, in each case selected by the Determination Agent.
- **"Reference Rate"** means the rate specified as such in the Final Terms. Where the Final Terms specifies 'CMS Rate Determination' to be 'Applicable' (where applicable, in relation to the relevant Reference Rate), 'Reference Rate' includes a CMS Reference Rate. If more than one Reference Rate is specified, 'Reference Rate' shall refer to each rate defined or specified as such, or determined, in respect of the relevant period or day as specified in the Final Terms.
- **"Relevant Interbank Market"** means:
  - (i) in respect of LIBOR, the London interbank market;
  - (ii) in respect of EURIBOR or the European Central Bank Refinancing Rate, the Eurozone interbank market; or
  - (iii) in respect of any other Reference Rate, the interbank market set out in the Final Terms.
- **"Relevant Screen Page"** means such screen page as specified in the Final Terms (or the relevant screen page of such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) or such other equivalent information vending service as is so specified.
- **"Relevant Screen Time"** means:
  - (i) in respect of LIBOR, 11:00 a.m. (London time) or any other time set out in the Final Terms;
  - (ii) in respect of EURIBOR, 11:00 a.m. (Brussels time) or any other time set out in the Final Terms; or
  - (iii) in respect of any other Reference Rate, the time set out in the Final Terms.
- **"Specified Swap Rate"** means any of the following as specified in the Final Terms: (i) the swap rate, (ii) the annual swap rate, (iii) the semi-annual swap rate, (iv) the quarterly swap rate, (v) the quarterly-annual swap rate, or (vi) the quarterly-quarterly swap rate.

### 7.3 Snowball

#### (a) Interest Type and application

Where the Final Terms specifies 'Interest Type' to be 'Snowball', then this General Condition 7.3 will apply to the Securities.

#### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable on an Interest Payment Date shall be calculated on each Interest Valuation Date as follows:

- (i) if the Interest Payment Condition is satisfied on the relevant Interest Valuation Date:

$$T \times \text{Fixed Interest Rate} \times \text{Calculation Amount}$$



- (ii) otherwise, zero.

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

(c) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Interest Barrier"** means, in respect of an Underlying Asset and an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Valuation Date multiplied by the Initial Price of such Underlying Asset.
- **"Interest Barrier Percentage"** means, in relation to an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Interest Payment Condition"** means, in respect of an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset on such Interest Valuation Date is at or above the corresponding Interest Barrier; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of every Underlying Asset on such Interest Valuation Date is at or above its corresponding Interest Barrier.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"T"** means the integer corresponding to the relevant Interest Valuation Date as specified in the Final Terms.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

**7.4 Phoenix without Memory**

(a) **Interest Type and Application**

Where the Final Terms specifies 'Interest Type' to be 'Phoenix without Memory', then this General Condition 7.4 will apply to the Securities.

(b) **Interest Amount**

The "**Interest Amount**" per Calculation Amount payable with respect to an Interest Valuation Date shall be calculated as follows:

- (i) if the Interest Payment Condition is satisfied on the relevant Interest Valuation Date:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

- (ii) otherwise, zero.

The Interest Amount payable with respect to an Interest Valuation Date shall be subject to neither of the following having occurred prior to such Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

(c) **Payment of the Interest Amount**

Any Interest Amount payable with respect to an Interest Valuation Date shall be paid:

- (i) if 'Actual Redemption Date' is not specified in the Final Terms, on the corresponding Interest Payment Date, which is a date that will be specified in the Final Terms; or
- (ii) if the Final Terms specifies the 'Interest Payment Date' to be 'Actual Redemption Date', on the earlier to occur of the Scheduled Redemption Date, the Optional Cash Redemption Date, the Early Cash Redemption Date or the Autocall Redemption Date.

(d) **Relevant defined terms**

The following terms as used above have the following meanings:

- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Fixed Interest Rate**" means the percentage specified as such in the Final Terms.
- "**Interest Barrier**" means, in respect of an Underlying Asset and an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Valuation Date multiplied by the Initial Price of such Underlying Asset.
- "**Interest Barrier Percentage**" means, in relation to an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- "**Interest Payment Condition**" means, in respect of an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset on such Interest Valuation Date is at or above the corresponding Interest Barrier; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of every Underlying Asset on such Interest Valuation Date is at or above its corresponding Interest Barrier.
- "**Interest Payment Date**" means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).

- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

## 7.5 Phoenix with Memory

### (a) Interest Type and Application

Where the Final Terms specifies 'Interest Type' to be 'Phoenix with Memory', then this General Condition 7.5 will apply to the Securities.

### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable with respect to an Interest Valuation Date shall be calculated as follows:

- (i) if the Interest Payment Condition is satisfied on the relevant Interest Valuation Date:

$$[\text{Fixed Interest Rate} \times \text{CA}] + [Y \times \text{Fixed Interest Rate} \times \text{CA}]$$

- (ii) otherwise, zero.

The Interest Amount payable with respect to an Interest Valuation Date shall be subject to neither of the following having occurred prior to such Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

### (c) Payment of the Interest Amount

Any Interest Amount payable with respect to an Interest Valuation Date shall be paid:

- (i) if 'Actual Redemption Date' is not specified in the Final Terms, on the corresponding Interest Payment Date, which is a date that will be specified in the Final Terms; or
- (ii) if the Final Terms specifies the 'Interest Payment Date' to be 'Actual Redemption Date', on the earlier to occur of the Scheduled Redemption Date, the Optional Cash Redemption Date, the Early Cash Redemption Date or the Autocall Redemption Date.

### (d) Relevant defined terms

The following terms as used above have the following meanings:

- **"Calculation Amount"** or **"CA"** means the amount specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Interest Barrier"** means, in respect of an Underlying Asset and an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Valuation Date multiplied by the Initial Price of such Underlying Asset.

- **"Interest Barrier Percentage"** means, in relation to an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Interest Payment Condition"** means, in respect of an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset on such Interest Valuation Date is at or above the corresponding Interest Barrier; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of every Underlying Asset on such Interest Valuation Date is at or above its corresponding Interest Barrier.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Y"** means the number of previous Interest Valuation Dates in respect of which no interest was payable (after which interest shall be considered to have been payable in respect of such previous Interest Valuation Date(s)).

#### 7.6 Phoenix One Touch – Daily

##### (a) Interest Type and Application

Where the Final Terms specifies 'Interest Type' to be 'Phoenix One Touch – Daily', then this General Condition 7.6 will apply to the Securities.

##### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable on an Interest Payment Date shall be calculated on each Interest Valuation Date in respect of the Interest Observation Period ending on such Interest Valuation Date as follows:

- (i) if the Interest Payment Condition is satisfied during the relevant Interest Observation Period:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

- (ii) otherwise, zero.

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

##### (c) Relevant defined terms

The following terms as used above have the following meanings:

- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset, or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Interest Barrier"** means, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.
- **"Interest Barrier Percentage"** means, in relation to an Interest Observation Period ending on an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Interest Observation Period"** means each period from but excluding one Interest Valuation Date to and including the immediately following Interest Valuation Date except for the first Interest Observation Period which shall commence on, but exclude, the Initial Valuation Date (or, where there is more than one Initial Valuation Date, the latest Initial Valuation Date to occur) and end on, and include, the first Interest Valuation Date.
- **"Interest Payment Condition"** means, in respect of an Interest Observation Period ending on an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset is at or above the corresponding Interest Barrier on any Observation Date during such Interest Observation Period; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of every Underlying Asset is at or above its corresponding Interest Barrier on any Observation Date during such Interest Observation Period.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to

be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.

- **"Observation Date"** means, in respect of an Interest Observation Period, each date specified as such in the Final Terms, or, where no such dates are specified, each Scheduled Trading Day in such Interest Observation Period, or, in either case if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

#### 7.7 Phoenix One Touch – Continuous

##### (a) Interest Type and Application

Where the Final Terms specifies 'Interest Type' to be 'Phoenix One Touch – Continuous', then this General Condition 7.7 will apply to Securities.

##### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable on each Interest Payment Date shall be calculated on each Interest Valuation Date in respect of the Interest Observation Period ending on such Interest Valuation Date as follows:

- (i) if the Determination Agent determines that the Interest Payment Condition is satisfied during the relevant Interest Observation Period:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

- (ii) otherwise, zero.

The Interest Amount payable on each Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

##### (c) Relevant defined terms

The following terms as used above have the following meanings:

- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next

following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.

- **"Interest Barrier"** means, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.
- **"Interest Barrier Percentage"** means, in relation to an Interest Observation Period ending on an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Interest Observation Period"** means each period from but excluding one Interest Valuation Date to and including the immediately following Interest Valuation Date except for the first Interest Observation Period which shall commence on, but exclude, the Initial Valuation Date (or, where there is more than one Initial Valuation Date, the latest Initial Valuation Date to occur) and end on, and include, the first Interest Valuation Date.
- **"Interest Payment Condition"** means, in respect of an Interest Observation Period ending on an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the market price or level of the Underlying Asset is at or above the corresponding Interest Barrier at any time on any Observation Date during such Interest Observation Period; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the market price or level of every Underlying Asset is at or above its corresponding Interest Barrier at any time on any Observation Date during such Interest Observation Period.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Observation Date"** means, in respect of an Interest Observation Period, each date specified as such in the Final Terms, or, where no such dates are specified, each Scheduled Trading Day in such Interest Observation Period, or, in either case if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

## 7.8 Phoenix No Touch – Daily

### (a) Interest Type and Application

Where the Final Terms specifies 'Interest Type' to be 'Phoenix No Touch – Daily', then this General Condition 7.8 will apply to the Securities.

### (b) Interest Amount

The "**Interest Amount**" per Calculation Amount payable on an Interest Payment Date shall be calculated on each Interest Valuation Date in respect of the Interest Observation Period ending on such Interest Valuation Date as follows:

- (i) if a 'No Interest Event' occurs during the relevant Interest Observation Period: zero;
- (ii) otherwise:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

### (c) Relevant defined terms

The following terms as used above have the following meanings:

- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Fixed Interest Rate**" means the percentage specified as such in the Final Terms.
- "**Initial Valuation Date**" means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- "**Interest Barrier**" means, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.
- "**Interest Barrier Percentage**" means, in relation to an Interest Observation Period ending on an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.



- **"Interest Observation Period"** means each period from but excluding one Interest Valuation Date to and including the immediately following Interest Valuation Date except for the first Interest Observation Period which shall commence on, but exclude, the Initial Valuation Date (or, where there is more than one Initial Valuation Date, the latest Initial Valuation Date to occur) and end on, and include, the first Interest Valuation Date.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"No Interest Event"** means, in respect of an Interest Observation Period ending on an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset is below the corresponding Interest Barrier on any Scheduled Trading Day during such Interest Observation Period; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of any Underlying Asset is below its corresponding Interest Barrier on any Scheduled Trading Day during such Interest Observation Period.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

#### 7.9 Phoenix No Touch – Continuous

##### (a) Interest Type and Application

Where the Final Terms specifies 'Interest Type' to be 'Phoenix One Touch – Continuous', then this General Condition 7.9 will apply to the Securities.

##### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable on an Interest Payment Date shall be calculated on each Interest Valuation Date in respect of the Interest Observation Period ending on such Interest Valuation Date as follows:

- (i) if a 'No Interest Event' occurs during the relevant Interest Observation Period: zero;
- (ii) otherwise:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

(c) **Relevant defined terms**

The following terms as used above have the following meanings:

- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Fixed Interest Rate**" means the percentage specified as such in the Final Terms.
- "**Initial Valuation Date**" means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- "**Interest Barrier**" means, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.
- "**Interest Barrier Percentage**" means, in relation to an Interest Observation Period ending on an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- "**Interest Observation Period**" means each period from but excluding one Interest Valuation Date to and including the immediately following Interest Valuation Date except for the first Interest Observation Period which shall commence on, but exclude, the Initial Valuation Date (or, where there is more than one Initial Valuation Date, the latest Initial Valuation Date to occur) and end on, and include, the first Interest Valuation Date.
- "**Interest Payment Date**" means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- "**Interest Valuation Date**" means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- "**No Interest Event**" means, in respect of an Interest Valuation Date and an Interest Observation Period ending on an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the market price or level of the Underlying Asset is below the corresponding Interest Barrier at any time on any Scheduled Trading Day during such Interest Observation Period; or

- (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the market price or level of any Underlying Asset is below its corresponding Interest Barrier at any time on any Scheduled Trading Day during such Interest Observation Period.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

#### 7.10 Range Accrual

##### (a) Application

Where the Final Terms specifies 'Interest Type' to be 'Range Accrual', then this General Condition 7.10 will apply to the Securities.

##### (b) Interest Amount

The **"Interest Amount"** per Calculation Amount payable on an Interest Payment Date shall be calculated on each Interest Valuation Date in respect of the Interest Observation Period ending on such Interest Valuation Date as follows:

$$n/N \times \text{Fixed Interest Rate} \times \text{Calculation Amount}$$

The Interest Amount payable on an Interest Payment Date shall be subject to neither of the following having occurred prior to the corresponding Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

##### (c) Relevant defined terms

The following terms as used above have the following meanings:

- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Fixed Interest Rate"** means the percentage specified as such in the Final Terms.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Interest Observation Period"** means each period from but excluding one Interest Valuation Date to and including the immediately following Interest Valuation Date except for the first Interest Observation Period which shall commence on, but exclude, the Initial Valuation Date (or, where there is more

than one Initial Valuation Date, the latest Initial Valuation Date to occur) and end on, and include, the first Interest Valuation Date.

- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lower Barrier"** means, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Lower Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.
- **"Lower Barrier Percentage"** means, in respect of an Interest Observation Period ending on an Interest Valuation Date, the percentage specified (if applicable, as specified for such Interest Valuation Date) as such in the Final Terms.
- **"n"** means:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the number of Observation Dates in the relevant Interest Observation Period that the Valuation Price of the Underlying Asset is:
    - (A) greater than or equal to the corresponding Lower Barrier; and
    - (B) if the Final Terms specifies 'Upper Barrier' to be 'Applicable': less than or equal to the corresponding Upper Barrier; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the number of Observation Dates in the relevant Interest Observation Period that the Valuation Price of every Underlying Asset is:
    - (A) greater than or equal to its corresponding Lower Barrier; and
    - (B) if the Final Terms specifies 'Upper Barrier' to be 'Applicable': less than or equal to its corresponding Upper Barrier.
- **"N"** means the number of scheduled Observation Dates in the relevant Interest Observation Period.
- **"Observation Date"** means, in respect of an Interest Observation Period, each date specified as such in the Final Terms, or, where no such dates are specified, each Scheduled Trading Day in such Interest Observation Period, or, in either case if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Upper Barrier"** means, if applicable, in respect of an Underlying Asset and an Interest Observation Period ending on an Interest Valuation Date, the Upper Barrier Percentage applicable in respect of such Interest Observation Period multiplied by the Initial Price of such Underlying Asset.

- "**Upper Barrier Percentage**" means, if applicable, in respect of an Interest Observation Period ending on an Interest Valuation Date, the percentage specified (if applicable, as specified for such Interest Valuation Date) as such in the Final Terms.
- "**Valuation Price**" means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

#### 7.11 Knock-out

(a) **Interest Type and Application**

Where the Final Terms specifies 'Interest Type' to be 'Knock-out', then this General Condition 7.11 will apply to the Securities.

(b) **Interest Amount**

The "**Interest Amount**" per Calculation Amount payable with respect to an Interest Valuation Date shall be calculated as follows:

- (i) if a Knock-out has not occurred in relation to the relevant Interest Valuation Date:

$$\text{Fixed Interest Rate} \times \text{Calculation Amount}$$

- (ii) otherwise, zero.

The Interest Amount payable with respect to an Interest Valuation Date shall be subject to neither of the following having occurred prior to such Interest Valuation Date: (i) an Automatic Redemption (Autocall) Event, or (ii) any other redemption or purchase and cancellation of the Securities.

(c) **Relevant defined terms**

For the purposes of this General Condition 7.11, the following terms as used above have the following meanings (and any other defined terms shall have the meaning set out in General Condition 35.1 (*Definitions*)):

- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Fixed Interest Rate**" means the percentage specified as such in the Final Terms.
- "**Initial Valuation Date**" means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.

- **"Interest Barrier"** means, in respect of an Underlying Asset and an Interest Valuation Date, the Interest Barrier Percentage applicable in respect of such Interest Valuation Date multiplied by the Initial Price of such Underlying Asset.
- **"Interest Barrier Percentage"** means, in relation to an Interest Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Interest Payment Date"** means, in relation to an Interest Valuation Date, the corresponding date specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention (if applicable).
- **"Interest Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Knock-out"** means, in respect of an Interest Valuation Date:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset is less than the Knock-out Barrier on any Scheduled Trading Day from (but excluding) the Initial Valuation Date to (and including) such Interest Valuation Date;
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of any Underlying Asset is less than its Knock-out Barrier on any Scheduled Trading Day from (but excluding) the Initial Valuation Date to (and including) such Interest Valuation Date.
- **"Knock-out Barrier"** means, in respect of an Underlying Asset, the Knock-out Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Knock-out Barrier Percentage"** means the percentage specified as such in the Final Terms.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

## 8. Automatic Redemption (Autocall)

### 8.1 Application

This General Condition 8 applies to all Securities for which the Final Terms specifies 'Automatic Redemption (Autocall)' to be 'Applicable'.

### 8.2 Autocall Cash Settlement Amount following an Automatic Redemption (Autocall) Event

If an Automatic Redemption (Autocall) Event occurs on an Autocall Valuation Date, then, provided that no redemption or purchase and cancellation of the Securities has occurred prior to the relevant Autocall Redemption Date, each Security will be redeemed (in whole) on the Autocall Redemption Date corresponding to such Autocall Valuation Date at a cash amount per Calculation Amount in the Settlement Currency, determined in accordance with the following (the **"Autocall Cash Settlement Amount"**):

$$100\% \times \text{Calculation Amount}$$

### 8.3 Relevant defined terms

The following terms as used above have the following meanings:

- **"Autocall Barrier"** means, in respect of an Underlying Asset and an Autocall Valuation Date, the Autocall Barrier Percentage applicable in respect of such Autocall Valuation Date multiplied by the Initial Price of such Underlying Asset.
- **"Autocall Barrier Percentage"** means, in relation to an Autocall Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Automatic Redemption (Autocall) Event"** means, in respect of an Autocall Valuation Date:
  - (a) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', the Valuation Price of the Underlying Asset on such Autocall Valuation Date is at or above the corresponding Autocall Barrier; or
  - (b) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of', the Valuation Price of every Underlying Asset on such Autocall Valuation Date is at or above its corresponding Autocall Barrier.
- **"Autocall Redemption Date"** means each date specified as such in the Final Terms.
- **"Autocall Valuation Date"** means each date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Initial Price"** means, in respect of an Underlying Asset:
  - (a) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (b) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (c) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (d) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (e) if none of items (a) to (d) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.

- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms, provided that:
  - (a) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (b) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (i) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (ii) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.

## 9. Final redemption

### (a) Redemption Type

The Final Terms will indicate whether the Redemption Type that the Securities will pay is:

- Vanilla Barrier;
- European Barrier;
- American Barrier;
- Call;
- Bull-Bear – European Barrier;
- Bull-Bear – American Barrier; or
- Put Spread.

### (b) Certain information to be found in the Final Terms

The Final Terms will contain provisions applicable to the final redemption provisions and must be read in conjunction with this General Condition 9 for full information on the manner in which the Final Cash Settlement Amount will be calculated. In particular, the Final Terms will specify the following information items where relevant to the particular Securities:

- the Calculation Amount;
- the Vanilla Barrier Type;
- the American Barrier Type;
- the Lower Strike Price Percentage;
- the Strike Price Percentage;
- the Initial Valuation Date;
- the Final Valuation Date;
- the Knock-in Barrier Percentage;
- the Final Barrier Percentage;
- the Knock-in Barrier Period Start Date;



- the Knock-in Barrier Period End Date;
  - the Lookback-in Dates;
  - the Lookback-out Dates;
  - the Averaging-in Dates;
  - the Averaging-out Dates;
  - the Underlying Performance Type;
  - whether the Trigger Event Type is 'Daily' or 'Continuous';
  - the Cap; and
  - the Participation.
- (c) **Certain considerations relating to Securities listed on the regulated market of Borsa Italiana S.p.A.**

For so long as the Securities are admitted to listing on the regulated market of Borsa Italiana S.p.A. and to trading on its Electronic Securitised Derivatives Market (SeDeX), at any time prior to the Renouncement Notice Cut-off Time, any Holder may renounce the redemption of any Securities held by such Holder in accordance with the rules of the Borsa Italiana S.p.A. applicable from time to time, by giving a duly completed Renouncement Notice in the form set out in the relevant Form of Renouncement Notice which will be made available at the registered office of the Issuer and at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> to the Relevant Clearing System, with a copy to the Issuer and the Issue and Paying Agent, in the case of Securities other than Italian Book-Entry Securities. Once delivered, a Renouncement Notice shall be irrevocable and the relevant Holder may not transfer the Securities that are the subject of the Renouncement Notice. If a duly completed Renouncement Notice is validly delivered prior to the Renouncement Notice Cut-off Time, any rights arising from the Securities will terminate upon such delivery and the relevant Holder will not be entitled to receive any amounts payable by the Issuer with respect to the Securities and the Issuer shall have no further liability with respect to such amounts.

Any determination as to whether a Renouncement Notice is valid, effective and/or duly completed and in proper form shall be made by (a) the Relevant Clearing System (in consultation with the Issuer and the Issue and Paying Agent), in the case of Securities other than Italian Securities, or (b) the relevant Agent in Italy, in the case of Italian Securities, and shall be conclusive and binding on the Issuer, the Agents and the relevant Holder(s), as the case may be.

Subject as follows, any Renouncement Notice determined not to be valid, effective, complete and in proper form shall be null and void unless the Issuer and, in the case of Italian Securities, the Agent in Italy agree otherwise. This provision shall not prejudice any right of the person delivering the notice to deliver a new or corrected notice.

The Issuer or, in the case of Italian Securities, the Agent in Italy shall use all reasonable endeavours promptly to notify any Holder submitting a Renouncement Notice if it is determined that such Renouncement Notice is not valid, effective, complete or in the proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Relevant Clearing System, or any Agent, as the case may be, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with any notification to a Holder or determination that a Renouncement Notice is not valid, effective, complete or in the proper form.

## 9.1 **Vanilla Barrier**

### (a) **Application**

This General Condition 9.1 applies only to those Securities for which the Final Terms specifies the 'Final Redemption Type' to be 'Vanilla Barrier'.

(b) **Cash Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the "**Final Cash Settlement Amount**" which will be a cash amount per Calculation Amount in the Settlement Currency determined in accordance with the following:

(i) if:

(A) the Final Terms specifies 'Vanilla Barrier Type' to be 'Autocall' and:

- (1) Final Valuation Price  $\geq$  Final Barrier; OR
- (2) Final Valuation Price  $\geq$  Strike Price,

OR

(B) the Final Terms specifies 'Vanilla Barrier Type' to be 'Reverse Convertible' and:

- (1) Final Valuation Price  $\geq$  Strike Price,

then:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

(c) **Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if:

(A) the Final Terms specifies 'Vanilla Barrier Type' to be 'Autocall' and:

- (1) Final Valuation Price  $\geq$  Final Barrier; OR
- (2) Final Valuation Price  $\geq$  Strike Price,

OR

(B) the Final Terms specifies 'Vanilla Barrier Type' to be 'Reverse Convertible' and:

$$\text{Final Valuation Price} \geq \text{Strike Price},$$

then, the Issuer will pay the Final Cash Settlement Amount, which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

100% × Calculation Amount

(ii) otherwise, the Issuer will deliver the Final Physical Redemption Entitlement.

(d) **Underlying Performance Type: 'Single Asset' or 'Worst-of'**

(i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Barrier (if applicable), Final Physical Redemption Entitlement, Final Valuation Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price or Strike Price of the sole Underlying Asset.

OR

(ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Barrier (if applicable), Final Physical Redemption Entitlement, Final Valuation Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price or Strike Price of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Barrier"** means, in respect of an Underlying Asset and the Final Valuation Date, the Final Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Final Barrier Percentage"** means, in relation to the Final Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash

amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.

- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial

Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.

- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Strike Price"** means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
- Symbol "≥" means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
- **"Underlying Entitlement"** means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset;
  - (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

" $V_{\text{Final}}$ " is the Final Valuation Price of the relevant Underlying Asset; and

" $V_{\text{Initial}}$ " is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

## 9.2 European Barrier

### (a) Application

This General Condition 9.2 applies only to those Securities for which the Final Terms specifies 'Final Redemption Type' to be 'European Barrier'.

### (b) Cash Settlement

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the "**Final Cash Settlement Amount**" which will be a cash amount per Calculation Amount in the Settlement Currency determined in accordance with the following:

(i) if:

Final Valuation Price  $\geq$  Knock-in Barrier Price,

then:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

### (c) Cash or Physical Settlement

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if Final Valuation Price  $\geq$  Knock-in Barrier Price,

then, the Issuer will pay the Final Cash Settlement Amount, which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise, the Issuer will deliver the Final Physical Redemption Entitlement.

### (d) Underlying Performance Type: 'Single Asset' or 'Worst-of'

- (i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Physical Redemption Entitlement, Final Valuation Price, Knock-in Barrier Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption

Entitlement, Final Valuation Price, Knock-in Barrier Price or Strike Price of the sole Underlying Asset. OR

- (ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Physical Redemption Entitlement, Final Valuation Price, Knock-in Barrier Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price, Knock-in Barrier Price or Strike Price of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** means the amount specified as such in the Final Terms.
- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or

- (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Knock-in Barrier Percentage"** means the percentage specified as such in the Final Terms.
- **"Knock-in Barrier Price"** means, in respect of an Underlying Asset, the Knock-in Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the



next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.

- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Strike Price"** means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
- Symbol " $\geq$ " means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
- **"Underlying Entitlement"** means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset; or
  - (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

" $V_{\text{Final}}$ " is the Final Valuation Price of the relevant Underlying Asset; and

" $V_{\text{Initial}}$ " is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

### 9.3 American Barrier

#### (a) Application

This General Condition 9.3 applies only to those Securities for which the Final Terms specifies the 'Final Redemption Type' to be 'American Barrier'.

#### (b) Cash Settlement

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the "**Final Cash Settlement Amount**" which will be a cash amount per Calculation Amount in the Settlement Currency determined in accordance with the following:

(i) if:

(A) if the Final Terms specifies 'American Barrier Type' to be 'Autocall' and:

- (1) Final Valuation Price  $\geq$  Final Barrier; OR
- (2) a Trigger Event has not occurred; OR
- (3) Final Valuation Price  $\geq$  Strike Price,

OR

(B) the Final Terms specifies 'American Barrier Type' to be 'Reverse Convertible' and:

- (1) a Trigger Event has not occurred; OR
- (2) Final Valuation Price  $\geq$  Strike Price,

then:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

**(c) Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if:

(A) if the Final Terms specifies 'American Barrier Type' to be 'Autocall' and:

- (1) Final Valuation Price  $\geq$  Final Barrier; OR
- (2) a Trigger Event has not occurred; OR
- (3) Final Valuation Price  $\geq$  Strike Price,

OR

(B) the Final Terms specifies 'American Barrier Type' to be 'Reverse Convertible' and:

- (1) a Trigger Event has not occurred; OR
- (2) Final Valuation Price  $\geq$  Strike Price,

then, the Issuer will pay the Final Cash Settlement Amount, which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise, the Issuer will deliver the Final Physical Redemption Entitlement.

(d) **Underlying Performance Type: 'Single Asset' or 'Worst-of'**

- (i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Barrier (if applicable), Final Physical Redemption Entitlement, Final Valuation Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price or Strike Price of the sole Underlying Asset; OR
- (ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Barrier (if applicable), Final Physical Redemption Entitlement, Final Valuation Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price or Strike Price of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- "**Averaging-in Dates**" means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- "**Averaging-out Dates**" means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- "**Calculation Amount**" means the amount specified as such in the Final Terms.
- "**Exchange Rate**" means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- "**Final Barrier**" means, in respect of an Underlying Asset and the Final Valuation Date, the Final Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- "**Final Barrier Percentage**" means, in relation to the Final Valuation Date, the relevant percentage specified as such in the Final Terms.

- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that,
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or

- (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Knock-in Barrier Percentage"** means the percentage specified as such in the Final Terms.
- **"Knock-in Barrier Period End Date"** means the date specified as such in the Final Terms.
- **"Knock-in Barrier Period Start Date"** means the date specified as such in the Final Terms.
- **"Knock-in Barrier Price"** means, in respect of an Underlying Asset, the Knock-in Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Strike Price"** means, in respect of an Underlying Asset, the percentage multiplied by the Initial Price of such Underlying Asset.
- **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
- Symbol " $\geq$ " means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
- **"Trigger Event"** means:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset':
    - (A) if the Final Terms specifies the 'Trigger Event Type' to be 'Daily', then a Trigger Event shall be deemed to have occurred if the Valuation Price of the Underlying Asset is below its Knock-in Barrier Price on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date; or

- (B) if the Final Terms specifies the 'Trigger Event Type' to be 'Continuous', then a Trigger Event shall be deemed to have occurred if the market price or level of the Underlying Asset is below its Knock-in Barrier Price at any time on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date.

OR:

- (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of':

- (A) if the Final Terms specifies the 'Trigger Event Type' to be 'Daily', then a Trigger Event shall be deemed to have occurred if the Valuation Price of any Underlying Asset is below its Knock-in Barrier Price on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date; or

- (B) if the Final Terms specifies the 'Trigger Event Type' to be 'Continuous', then a Trigger Event shall be deemed to have occurred if the market price or level of any Underlying Asset is below its Knock-in Barrier Price at any time on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date.

- **"Underlying Entitlement"** means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset; and/or
  - (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

"**V<sub>Final</sub>**" is the Final Valuation Price of the relevant Underlying Asset; and

"**V<sub>Initial</sub>**" is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

9.4 Call

(a) **Application**

This General Condition 9.4 applies only to those Securities for which the Final Terms specifies 'Final Redemption Type' to be 'Call'.

(b) **Cash Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the "**Final Cash Settlement Amount**" which will be a cash amount per Calculation Amount in the Settlement Currency determined in accordance with the following:

(i) if Final Valuation Price  $\geq$  Initial Price, then:

(A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [Participation \times ((FVP/IP) - 1) \times CA]; \text{ OR}$$

(B) if the Final Terms specifies 'Cap' to be 'Applicable', then:

$$[100\% \times CA] + [\text{Min} (Participation \times ((FVP/IP) - 1), \text{Cap}) \times CA]$$

(ii) otherwise, if:

(A) Initial Price  $>$  Final Valuation Price; AND

(B) Final Valuation Price  $\geq$  Strike Price,

then:

$$100\% \times \text{Calculation Amount}$$

(iii) otherwise, if Final Valuation Price  $<$  Strike Price, then:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

(c) **Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if Final Valuation Price  $\geq$  Initial Price, then the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

(A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [Participation \times ((FVP/IP) - 1) \times CA]$$

(B) if the Final Terms specifies 'Cap' to be 'Applicable', then

$$[100\% \times CA] + [\text{Min}(\text{Participation} \times ((\text{FVP}/\text{IP}) - 1), \text{Cap}) \times CA]$$

(ii) otherwise, if:

(A) Initial Price > Final Valuation Price; AND

(B) Final Valuation Price  $\geq$  Strike Price,

then, the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$100\% \times \text{Calculation Amount}$$

(iii) otherwise, if, Final Valuation Price < Strike Price, then the Issuer will deliver the Final Physical Redemption Entitlement.

(d) **Underlying Performance Type: 'Single Asset' or 'Worst-of'**

(i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP or Strike Price of the sole Underlying Asset; OR

(ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP or Strike Price of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** or **"CA"** means the amount specified as the 'Calculation Amount' in the Final Terms.
- **"Cap"** means, if applicable, the percentage specified as such in the Final Terms.



- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price" or "FVP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price" or "IP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that,

- (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
  - **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
  - **"Min"**, followed by a bracket, means the lesser of the amount separated by a comma within the bracket. For example, Min (X, Y) means the lesser of X and Y.
  - **"Participation"** means the percentage specified as such in the Final Terms.
  - **"Strike Price"** means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
  - **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
  - Symbols:
    - ">" means greater than. For example,  $X > Y$  means component X is greater than component Y.
    - " $\geq$ " means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
    - "<" means less than. For example,  $X < Y$  means component X is less than component Y.
  - **"Underlying Entitlement"** means, in respect of an Underlying Asset:
    - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset; or

- (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

**"V<sub>Final</sub>"** is the Final Valuation Price of the relevant Underlying Asset; and

**"V<sub>Initial</sub>"** is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

#### 9.5 Bull-Bear – European Barrier

##### (a) Application

This General Condition 9.5 applies only to those Securities for which the Final Terms specifies 'Final Redemption Type' to be 'Bull-Bear – European Barrier'.

##### (b) Cash Settlement

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the **"Final Cash Settlement Amount"** which will be a cash amount per Calculation Amount in the Settlement Currency determined in accordance with the following:

- (i) if Final Valuation Price  $\geq$  Strike Price, then:
  - (A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:
 
$$[100\% \times CA] + [Participation \times ((FVP - SP)/IP) \times CA];$$
 OR
  - (B) if the Final Terms specifies 'Cap' to be 'Applicable', then:
 
$$[100\% \times CA] + [\text{Min} (Participation \times ((FVP - SP)/ IP), \text{Cap}) \times CA]$$
- (ii) otherwise, if:
  - (A) Strike Price  $>$  Final Valuation Price; AND
  - (B) Final Valuation Price  $\geq$  Knock-in Barrier Price,

then:

$$[100\% \times CA] + [((SP - FVP)/IP) \times CA]$$

(iii) otherwise, if Final Valuation Price < Knock-in Barrier Price, then:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

**(c) Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if Final Valuation Price  $\geq$  Strike Price, then the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

(A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [\text{Participation} \times ((FVP - SP)/IP) \times CA]; \text{ OR}$$

(B) if the Final Terms specifies 'Cap' to be 'Applicable', then:

$$[100\% \times CA] + [\text{Min} (\text{Participation} \times ((FVP - SP)/IP), \text{Cap}) \times CA]$$

(ii) otherwise, if:

(A) Strike Price > Final Valuation Price; AND

(B) Final Valuation Price > Knock-in Barrier Price,

then, the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$[100\% \times CA] + [((SP - FVP)/IP) \times CA]$$

(iii) otherwise, if Final Valuation Price < Knock-in Barrier Price, then the Issuer will deliver the Final Physical Redemption Entitlement.

**(d) Underlying Performance Type: 'Single Asset' or 'Worst-of'**

(i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP, Knock-in Barrier Price and Strike Price or SP to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP, Knock-in Barrier Price or Strike Price or SP of the sole Underlying Asset. OR

(ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP, Knock-in Barrier Price and Strike Price or SP to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP, Knock-in Barrier Price or Strike Price or SP of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** or **"CA"** means the amount specified as the 'Calculation Amount' in the Final Terms.
- **"Cap"** means, if applicable, the percentage specified as such in the Final Terms.
- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** or **"FVP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or

- (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price" or "IP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that:
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Knock-in Barrier Percentage"** means the percentage specified as such in the Final Terms.
- **"Knock-in Barrier Price"** means, in respect of an Underlying Asset, the Knock-in Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to

be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.

- "**Min**", followed by a bracket, means the lesser of the amounts separated by a comma within the bracket. For example, 'Min (X, Y)' means the lesser of X and Y.
- "**Participation**" means the percentage specified as such in the Final Terms.
- "**Strike Price**" or "**SP**" means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
- "**Strike Price Percentage**" means the percentage specified as such in the Final Terms.
- Symbols:
  - ">" means greater than. For example,  $X > Y$  means component X is greater than component Y.
  - "≥" means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
  - "<" means less than. For example,  $X < Y$  means component X is less than component Y.
- "**Underlying Entitlement**" means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset; or
  - (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- "**Valuation Price**" means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- "**Worst Performing Underlying Asset**" means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

"**V<sub>Final</sub>**" is the Final Valuation Price of the relevant Underlying Asset; and

"**V<sub>Initial</sub>**" is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

**9.6 Bull-Bear – American Barrier**

**(a) Application**

This General Condition 9.6 applies only to those Securities for which the 'Final Redemption Type' to be 'Bull-Bear – American Barrier'.

**(b) Cash Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the "**Final Cash Settlement Amount**" which will be a cash amount per Calculation Amount in the Settlement Currency determined by the Determination Agent in accordance with the following:

(i) if Final Valuation Price  $\geq$  Strike Price, then:

(A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [Participation \times ((FVP - SP)/IP) \times CA]; \text{ OR}$$

(B) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [\text{Min} (Participation \times ((FVP - SP)/IP), \text{Cap}) \times CA]$$

(ii) otherwise, if:

(A) Final Valuation Price  $<$  Strike Price; AND

(B) a Trigger Event has not occurred,

then:

$$[100\% \times \text{Calculation Amount}] + [((SP - FVP)/IP) \times \text{Calculation Amount}]$$

(iii) otherwise, if:

(A) Final Valuation Price  $<$  Strike Price; AND

(B) a Trigger Event has occurred,

then:

$$(FVP/SP) \times \text{Calculation Amount}$$

**(c) Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if Final Valuation Price  $\geq$  Strike Price, then the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:



(A) if the Final Terms specifies 'Cap' to be 'Not Applicable', then:

$$[100\% \times CA] + [Participation \times ((FVP - SP)/IP) \times CA]; \text{ OR}$$

(B) if the Final Terms specifies 'Cap' to be 'Applicable', then:

$$[100\% \times CA] + [\text{Min} (Participation \times ((FVP - SP)/IP), \text{Cap}) \times CA]; \text{ OR}$$

(ii) otherwise, if:

(A) Final Valuation Price < Strike Price; AND

(B) a Trigger Event has not occurred,

then, the Issuer will pay the Final Cash Settlement Amount, which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$[100\% \times CA] + [((SP - FVP)/IP) \times CA]$$

(iii) otherwise, if:

(A) Final Valuation Price < Strike Price; AND

(B) and a Trigger Event has occurred,

then, the Issuer will deliver the Final Physical Redemption Entitlement.

**(d) Underlying Performance Type: 'Single Asset' or 'Worst-of'**

(i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP and Strike Price or SP to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP or Strike Price or SP of the sole Underlying Asset; OR

(ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP and Strike Price or SP to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Physical Redemption Entitlement, Final Valuation Price or FVP, Initial Price or IP or Strike Price or SP of the Worst Performing Underlying Asset.

**(e) Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the

next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.

- **"Calculation Amount"** or **"CA"** means the amount specified as the 'Calculation Amount' in the Final Terms.
- **"Cap"** means, if applicable, the percentage specified as such in the Final Terms.
- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** or **"FVP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) if none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price"** or **"IP"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or

- (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that,
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Knock-in Barrier Percentage"** means the percentage specified as such in the Final Terms.
- **"Knock-in Barrier Period End Date"** means the date specified as such in the Final Terms.
- **"Knock-in Barrier Period Start Date"** means the date specified as such in the Final Terms.
- **"Knock-in Barrier Price"** means, in respect of an Underlying Asset, the Knock-in Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the date specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Min"**, followed by a bracket, means the lesser of the amount separated by a comma within the bracket. For example, 'Min (X, Y)' means the lesser of X and Y.
- **"Participation"** means the percentage specified as such in the Final Terms.
- **"Strike Price" or "SP"** means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.

- **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
  - Symbols:
    - ">" means greater than. For example,  $X > Y$  means component X is greater than component Y.
    - "≥" means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
    - "<" means less than. For example,  $X < Y$  means component X is less than component Y.
  - **"Trigger Event"** means:
    - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset':
      - (A) if the Final Terms specifies the 'Trigger Event Type' to be 'Daily', then a Trigger Event shall be deemed to have occurred if the Valuation Price of the Underlying Asset is below its Knock-in Barrier Price on any Scheduled Trading Day, from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date; or
      - (B) if the Final Terms specifies the 'Trigger Event Type' to be 'Continuous', then a Trigger Event shall be deemed to have occurred if the market price or level of the Underlying Asset is below its Knock-in Barrier Price at any time on any Scheduled Trading Day, from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date.
- OR:
- (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of':
    - (A) if the Final Terms specifies the 'Trigger Event Type' to be 'Daily', then a Trigger Event shall be deemed to have occurred if the Valuation Price of any Underlying Asset is below its Knock-in Barrier Price on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date; or
    - (B) if the Final Terms specifies the 'Trigger Event Type' to be 'Continuous', then a Trigger Event shall be deemed to have occurred if the market price or level of any Underlying Asset is below its Knock-in Barrier Price at any time on any Scheduled Trading Day from and including the Knock-in Barrier Period Start Date, to and including the Knock-in Barrier Period End Date.
- **"Underlying Entitlement"** means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset; or

- (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

" $V_{\text{Final}}$ " is the Final Valuation Price of the relevant Underlying Asset; and

" $V_{\text{Initial}}$ " is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

## 9.7 Put Spread

### (a) Application

This General Condition 9.7 applies only to those Securities for which the 'Final Redemption Type' to be 'Put Spread'.

### (b) Cash Settlement

If the Final Terms specifies 'Settlement Method' to be 'Cash', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date at the **"Final Cash Settlement Amount"** which will be a cash amount per Calculation Amount in the Settlement Currency determined by the Determination Agent in accordance with the following:

(i) if:

(A) Final Valuation Price  $\geq$  Final Barrier; OR

(B) Final Valuation Price  $\geq$  Strike Price,

then:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise, if:

(A) Strike Price  $>$  Final Valuation Price; AND

(B) Final Valuation Price  $\geq$  Lower Strike Price,

then:

$$\left( \frac{\text{Final Valuation Price}}{\text{Strike Price}} \right) \times \text{Calculation Amount}$$

(iii) otherwise, if Final Valuation Price < Lower Strike Price, then:

$$\text{Lower Strike Price Percentage} \times \text{Calculation Amount}$$

**(c) Cash or Physical Settlement**

If the Final Terms specifies 'Settlement Method' to be 'Cash or Physical', then provided that neither an Automatic Redemption (Autocall) Event nor any other redemption or purchase and cancellation of the Securities has occurred prior to the Scheduled Redemption Date, each Security will be redeemed by the Issuer on the Scheduled Redemption Date by either payment of the Final Cash Settlement Amount or delivery of the Final Physical Redemption Entitlement, determined in accordance with the following:

(i) if:

(A) Final Valuation Price  $\geq$  Final Barrier; OR

(B) Final Valuation Price  $\geq$  Strike Price,

then the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$100\% \times \text{Calculation Amount}$$

(ii) otherwise, if:

(A) Strike Price > Final Valuation Price; AND

(B) Final Valuation Price  $\geq$  Lower Strike Price,

then the Issuer will deliver the Final Physical Redemption Entitlement

(iii) otherwise, if Final Valuation Price < Lower Strike Price, then the Issuer will pay the Final Cash Settlement Amount which will be a cash amount per Calculation Amount in the Settlement Currency equal to:

$$\text{Lower Strike Price Percentage} \times \text{Calculation Amount}$$

**(d) Underlying Performance Type: Single Asset or 'Worst-of'**

(i) If the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset': the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price, Initial Price, Lower Strike Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price, Initial Price, Lower Strike Price or Strike Price of the sole Underlying Asset, OR

(ii) If the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of': the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price, Initial Price, Lower Strike Price and Strike Price to be considered for the purposes of paragraphs (b) and (c) above shall be, as applicable, the Final Barrier, Final Physical Redemption Entitlement, Final Valuation Price, Initial Price, Lower Strike Price or Strike Price of the Worst Performing Underlying Asset.

(e) **Relevant defined terms**

The following terms as used above have the following meanings:

- **"Averaging-in Dates"** means, if the Final Terms specifies 'Averaging-in' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Averaging-out Dates"** means, if the Final Terms specifies 'Averaging-out' to be 'Applicable', each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Calculation Amount"** or **"CA"** means the amount specified as the 'Calculation Amount' in the Final Terms.
- **"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the Final Valuation Date expressed as the number of units of the Underlying Asset Currency equivalent to one unit of the Settlement Currency.
- **"Final Barrier"** means, in respect of an Underlying Asset and the Final Valuation Date, the Final Barrier Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Final Barrier Percentage"** means, in relation to the Final Valuation Date, the relevant percentage specified as such in the Final Terms.
- **"Final Physical Redemption Entitlement"** means, in respect of an Underlying Asset, the maximum whole number of units of such Underlying Asset less than or equal to the relevant Underlying Entitlement, provided that no fraction of an Underlying Asset shall be delivered and Holders will be entitled to receive a cash amount in the Settlement Currency rounded to the nearest unit of such currency determined on the basis of the Final Valuation Price of such Underlying Asset (if applicable, converted to the Settlement Currency at the Exchange Rate) in lieu of such fraction.
- **"Final Valuation Date"** means the date specified as such in the Final Terms, or, if such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Final Valuation Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or

- (iii) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or
  - (iv) none of items (i) to (iii) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.
- **"Initial Price"** means, in respect of an Underlying Asset:
  - (i) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
  - (ii) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iii) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
  - (iv) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
  - (v) if none of items (i) to (iv) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.
- **"Initial Valuation Date"** means, in respect of an Underlying Asset, the date specified for such Underlying Asset in the Final Terms; provided that,
  - (i) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset' and such date is not a Scheduled Trading Day, the Initial Valuation Date shall be the next following Scheduled Trading Day; or
  - (ii) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' and (A) 'Initial Valuation Date: Individual Pricing', if such date is not a Scheduled Trading Day in respect of that Underlying Asset, the Initial Valuation Date in respect of that Underlying Asset shall be the next following Scheduled Trading Day in respect of that Underlying Asset; or (B) 'Initial Valuation Date: Common Pricing', if such day is not also a Common Scheduled Trading Day, the Initial Valuation Date in respect of each Underlying Asset shall be the next following Common Scheduled Trading Day.
- **"Lookback-in Dates"** means, if either 'Max Lookback-in' or 'Min Lookback-in' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.
- **"Lookback-out Dates"** means, if either 'Max Lookback-out' or 'Min Lookback-out' is applicable, each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset') or Common Scheduled Trading Day (if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of'), the next following Scheduled Trading Day or Common Scheduled Trading Day as applicable.



- **"Lower Strike Price"** means, in relation to an Underlying Asset, the Lower Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Lower Strike Price Percentage"** means the percentage specified as such in the Final Terms.
- **"Strike Price"** means, in respect of an Underlying Asset, the Strike Price Percentage multiplied by the Initial Price of such Underlying Asset.
- **"Strike Price Percentage"** means the percentage specified as such in the Final Terms.
- Symbols:
  - ">" means greater than. For example,  $X > Y$  means component X is greater than component Y.
  - "≥" means greater than or equal to. For example,  $X \geq Y$  means component X is greater than or equal to component Y.
  - "<" means less than. For example,  $X < Y$  means component X is less than component Y.
- **"Underlying Entitlement"** means, in respect of an Underlying Asset:
  - (i) if the Settlement Currency is the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset;
  - (ii) if the Settlement Currency is not the same as the Underlying Asset Currency, the Calculation Amount divided by the Strike Price of such Underlying Asset and multiplied by the Exchange Rate.
- **"Valuation Price"** means, in respect of any relevant Scheduled Trading Day and an Underlying Asset, the price or level of such Underlying Asset at the Valuation Time on such day.
- **"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest performance calculated as follows:

$$\frac{V_{\text{Final}}}{V_{\text{Initial}}}$$

where:

" $V_{\text{Final}}$ " is the Final Valuation Price of the relevant Underlying Asset; and

" $V_{\text{Initial}}$ " is the Initial Price of the relevant Underlying Asset,

provided that where more than one Underlying Asset has the same lowest performance, the Determination Agent shall select which of the Underlying Assets with the same lowest performance shall be the Worst Performing Underlying Asset.

## 10. Nominal Call Event

### 10.1 Application

This General Condition 10 applies to those Securities for which 'Nominal Call Event' is specified to apply in the Final Terms.

## 10.2 Exercise

If a Nominal Call Event occurs, the Issuer may, by giving not less than 15 Business Days' irrevocable notice to Holders (such notice, an "**Early Redemption Notice**" and the date on which it is delivered, the "**Call Notice Delivery Date**"), redeem all of the Securities in whole (but not in part) by paying the Optional Cash Settlement Amount on the Optional Cash Redemption Date, provided that: (a) the Call Notice Delivery Date is within the Issuer Option Exercise Period; and (b) no redemption or purchase and cancellation of the Securities occurs prior to (or is due to occur on) the Optional Cash Redemption Date.

This General Condition is subject to General Condition 4 (*Calculations and publication*), General Condition 5 (*Payments and deliveries*) and General Condition 6 (*Settlement*).

## 10.3 Relevant defined terms

The following terms as used above shall have the following meanings:

- "**Issuer Option Exercise Period**" means the period from, and including, the Issue Date, to, and including, the date which is 16 Business Days prior to the Final Valuation Date.
- "**Nominal Call Event**" means, with respect to a Series, that on any day the outstanding Aggregate Nominal Amount or outstanding Number of such Securities is less than the Nominal Call Threshold Amount (or the Settlement Currency equivalent thereof).
- "**Nominal Call Threshold Amount**" means an amount equal to the Nominal Call Threshold Percentage, multiplied by the Aggregate Nominal Amount or aggregate Number of Securities as at the first Issue Date of such Securities (or the equivalent amount in the currency of the Securities).
- "**Nominal Call Threshold Percentage**" means 10 per cent or such other percentage specified as such in the Final Terms (which shall not be greater than 10 per cent).
- "**Optional Cash Redemption Date**" means, in relation to a Nominal Call Event in respect of the Securities, the date falling 15 Business Days after the Call Notice Delivery Date.
- "**Optional Cash Settlement Amount**" means, in respect of each Security, an amount in the Settlement Currency equal to the market value of such Security on the Call Notice Delivery Date. Such amount shall be determined by the Determination Agent by reference to such factors as the Determination Agent considers to be appropriate including, without limitation:
  - (a) market prices or values for the Underlying Asset(s) and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the relevant time;
  - (b) the remaining life of the Securities had they remained outstanding to scheduled maturity;
  - (c) the value at the relevant time of any minimum redemption or cancellation amount which would have been applicable had the Securities remained outstanding to scheduled maturity and/or any scheduled early redemption date;
  - (d) internal pricing models; and
  - (e) prices at which other market participants might bid for securities similar to the Securities,

provided that, where the Final Terms specifies 'Unwind Costs' to be 'Not Applicable', the Determination Agent shall not take into account deductions for any costs, charges, fees, accruals, losses and expenses, which are incurred by the Issuer or its Affiliates relating to the unwinding of any Hedge Positions and/or related funding arrangements, when determining such market value.

**D. EQUITY LINKED CONDITIONS, DISRUPTION EVENTS AND TAXES AND EXPENSES**

**11. Index modification, cancellation, disruption or adjustment event**

The following provisions of this General Condition 11 will apply to Securities for which the Underlying Asset (or one of the Underlying Assets) is an Index.

**11.1 Index Adjustment Events**

If,

- (a) on or prior to any date on which the level of an Index is to be calculated, including, without limitation, any Averaging Date, Lookback Date or Valuation Date (a "**Determination Date**"), the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no successor Index exists (an "**Index Cancellation**"); or
- (b) on any Determination Date in respect of any Index, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, an "**Index Adjustment Event**"),

then the Determination Agent shall on each relevant Determination Date determine if such Index Adjustment Event has a material effect on the relevant Securities and, if so, shall calculate the level of that Index by using, in lieu of a published level for the relevant Index, the level for that Index as at that Determination Date in accordance with the formula for and method of calculating that Index last in effect prior to that Index Adjustment Event, but using only those Components that constituted the relevant Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on any relevant Exchange).

In the event that the Determination Agent determines that it can no longer continue to calculate such Index, the Determination Agent may deem such Index Adjustment Event to constitute an Additional Disruption Event for the purposes of these provisions and shall take any necessary action in accordance with the applicable provisions of General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*), as the case may be, in respect of the Securities.

**11.2 Successor Index Sponsor or Substitution of Index with substantially similar calculation**

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

### 11.3 Correction of an Index

If the level of an Index published on any Determination Date and used or to be used by the Determination Agent to determine any relevant Index value is subsequently corrected and the correction is published by the Index Sponsor or a Successor Index Sponsor no later than the second Exchange Business Day prior to the next date upon which any payment shall be made by the Issuer, the Determination Agent shall recalculate the amount that is payable, using such corrected level of the relevant Index and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction. The Determination Agent shall notify the Holders of (a) that correction, (b) the amount, if any, that is payable as a result of that correction and (c) any adjustment being made.

### 11.4 Manifest Error in Index Calculation

Notwithstanding anything to the contrary herein, if on any Determination Date there is, in the reasonable opinion of the Determination Agent, a manifest error in the calculation of an Index by the relevant Index Sponsor (as manifested in the level of such Index published by such Index Sponsor), the Determination Agent may calculate the level of such Index for such date in lieu of using the level published on such date by such Index Sponsor. Such calculation will be determined in accordance with the methodology and formula for calculating the relevant Index used by the relevant Index Sponsor last in effect prior to the manifest error occurring. Where the Determination Agent calculates the level of an Index in accordance with this paragraph, it shall give notice to the Holder(s) of the Index level so calculated no later than five Business Days after the relevant Determination Date.

If the relevant Index Sponsor continues to calculate the relevant Index with manifest error for more than three Scheduled Trading Days, then the Determination Agent may make such adjustments to the terms of the Security as it may determine (provided that, in the case of French Securities, it has obtained prior consent of the General Meeting of the Holders), including, without limitation, selecting an alternative index to replace the relevant Index and/or replicating the constituents of the relevant Index and/or continuing to calculate the relevant Index in accordance with the methodology and formula for calculating such Index used by the relevant Index Sponsor last in effect prior to the manifest error occurring and/or adjusting the constituents and weightings of such Index. Where the Determination Agent makes any adjustment(s) in accordance with this paragraph, it shall give notice to the Holder(s) as soon as is reasonably practicable after making such adjustment(s).

Where a correction to the level of an Index is published by the Index Sponsor as described in General Condition 11.3 (*Correction of an Index*) after the Determination Agent has calculated the level of such Index pursuant to this General Condition 11.4 (*Manifest Error in Index Calculation*), the Determination Agent may recalculate any amount to be paid, using such corrected level in accordance with the provisions of General Condition 11.4 (*Manifest Error in Index Calculation*) after the correction to the level of the relevant Index is published by the relevant Index Sponsor. Where a correction to the level of an Index is published by the relevant Index Sponsor after an adjustment has been made to the terms of the Security in accordance with the preceding paragraph, General Condition 11.3 (*Correction of an Index*) shall not apply and the terms of such adjustment shall prevail.

## 12. Share adjustments or disruptions

The following provisions of this General Condition 12 will apply to Securities for which the Underlying Asset (or one of the Underlying Assets) is a Share.

### 12.1 Potential Adjustment Events

The Determination Agent may at any time determine that a Potential Adjustment Event has occurred. Following such determination, the Determination Agent will then determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding

adjustment(s), relevant to the settlement, payment or other terms of the Securities as the Determination Agent determines appropriate to account for the diluting or concentrative effect of such Potential Adjustment Event (the "**Adjustment(s)**") (provided that in the case of French Securities, any amendment to the Conditions shall be subject to the prior consent of the General Meeting of the Holders) and (b) determine the effective date(s) of the Adjustment(s). The Determination Agent may (but need not) determine the appropriate Adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on that options exchange.

Any Adjustment shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of its relevant Affiliates or a foreign investor charged on subscription, acquisition or receipt of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Determination Agent.

Notwithstanding the above, the Issuer may, alternatively, on giving notice to the Holders, elect, in lieu of the Determination Agent making an Adjustment in respect of a Potential Adjustment Event, to deliver to each Holder one or more additional Securities (the "**Adjustment Event Securities**") and/or pay to each Holder a cash amount (the "**Adjustment Event Amount**") to account for the diluting or concentrative effect of such Potential Adjustment Event. Where the Issuer elects to deliver Adjustment Event Securities, such Adjustment Event Securities will be issued on the same (or substantially the same) terms as the relevant Securities as the Determination Agent may determine. In such notice the Issuer will set out the amount of Securities to be delivered and/or cash to be paid and the manner in which such delivery and/or payment is to be made.

## 12.2 Merger Events, Nationalisation, Insolvency, Insolvency Filing, Delisting and Tender Offers

Following the occurrence of any Merger Event, Nationalisation, Insolvency, Insolvency Filing, Delisting or Tender Offer, such event shall constitute an Additional Disruption Event and the applicable provisions of General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*) shall apply.

## 12.3 Substitution of Shares

- (a) **If the Final Terms specifies 'Substitution of Shares – Standard' to be 'Applicable':**
- (i) If any Share shall be affected by an Extraordinary Event (the "**Affected Shares**"), then without prejudice to the rights that the Issuer has under the Securities (as described above), the Issuer shall have the option to substitute the Affected Shares with substitute shares (the "**Substitute Shares**") as selected by the Determination Agent as at the Announcement Date or the Tender Offer Date or such other date as the Determination Agent may deem appropriate, as the case may be.
  - (ii) The Substitute Shares shall have such criteria as the Determination Agent deems appropriate, including, but not limited to, the following:
    - (A) the Substitute Shares shall belong to a similar economic sector as the Share Company of the Affected Shares;
    - (B) the issuer of the Substitute Shares shall be of a similar international standing and creditworthiness as the Share Company of the Affected Shares; and
    - (C) in case of Securities listed on the regulated market of Borsa Italiana S.p.A., the Substitute Shares shall be listed on a stock exchange, market or quotation system which is acceptable to Borsa Italiana S.p.A.

- (iii) The Initial Price of the Substitute Shares shall be determined in accordance with the following:

$$\text{Initial Price} = \text{Substitute Price} \times (\text{Affected Share(k)}/\text{Affected Share(j)})$$

where:

- "**Affected Share(k)**" means the 'Initial Price' per Share of the relevant Affected Shares as specified in the Final Terms;
  - "**Affected Share(j)**" means the last closing price per Share of the Affected Shares on or prior to the Announcement Date or the Tender Offer Date (as the case may be); and
  - "**Substitute Price**" means the official closing price per Share of the relevant Substitute Shares as at the Valuation Time on the dates on which the Affected Share(j) is determined or, if such date is not a Scheduled Trading Day on the relevant Exchange in respect of the Substitute Shares, the following Scheduled Trading Day of the Substitute Shares.
- (iv) The Determination Agent shall notify the Holders as soon as practicable after the selection of the relevant Substitute Shares.
- (v) If the Final Terms specifies the 'Settlement Method' to be 'Cash or Physical', 'Entitlement Substitution' may be specified in the Final Terms to apply with respect to a Series.
- (b) **If the Final Terms specifies 'Substitution of Shares – ETF underlying' to be 'Applicable':**
- (i) On the occurrence of an Extraordinary Event, without prejudice to the rights that the Issuer has under the Securities (including, for the avoidance of doubt, the right to make appropriate adjustments or redeem all of the Securities in accordance with General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*)), the Issuer may substitute the relevant Share with such shares, units or other interests of an exchange traded fund or other financial security, index or instrument (each a "**Replacement Security**") that the Determination Agent determines is comparable to the relevant discontinued Share (or discontinued Replacement Security) as at the Announcement Date or the Tender Offer Date or such other date as the Determination Agent may deem appropriate, as the case may be, and such Replacement Security shall be deemed to be the relevant Share for all purposes of the Securities after the substitution.
  - (ii) Upon the substitution by the Determination Agent of a Replacement Security, the Determination Agent may adjust any variable in the terms of the Securities (including, without limitation, any variable relating to the price of the shares, units or other interests in the relevant Share, the number of such shares, units or other interests outstanding, created or redeemed or any dividend or other distribution made in respect of such shares, units or other interests) as, in the judgement of the Determination Agent, may be, and for such time as may be, necessary to render the Replacement Security comparable to the shares or other interests of the relevant discontinued Share (or discontinued Replacement Security) for purposes of the Securities.
  - (iii) Upon any substitution by the Determination Agent of a Replacement Security, the Determination Agent shall notify the Holders as soon as practicable after the selection of the Replacement Security.

- (iv) In the event that (A) the Issuer determines not to substitute the Share in accordance with paragraph (a) above or this paragraph (b), as may be applicable, or (B) the Determination Agent determines that it cannot substitute the Affected Share in accordance with paragraph (a) above or cannot determine a Replacement Security in accordance with this paragraph (b), the Issuer may determine that such event is an Additional Disruption Event and shall make appropriate adjustments or redeem all of the Securities of the relevant Series in whole in accordance with General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*).

### 13. Consequences of Disrupted Days

#### 13.1 Valuation Dates

If, in the opinion of the Determination Agent, any Valuation Date is a Disrupted Day in respect of any Underlying Asset, then:

(a) **If there is only one Underlying Asset:**

The Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the Disrupted Days, would have been the Valuation Date (the "**Scheduled Valuation Date**") is a Disrupted Day, in which case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that it is a Disrupted Day, and the Determination Agent shall determine:

- (i) in the case of any Underlying Asset that is a Share, the relevant exchange traded or quoted price (the "**Traded Price**") for such Share that would have prevailed as of the Valuation Time on the eighth Scheduled Trading Day but for that Disrupted Day; or
- (ii) in the case of any Underlying Asset that is an Index, the level of the Index as at the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Traded Price as at the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, the Traded Price for the relevant security as at the Valuation Time on that eighth Scheduled Trading Day).

(b) **If there is more than one Underlying Asset:**

The Valuation Date for each Underlying Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Asset affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day, in which case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Underlying Asset, notwithstanding the fact that it is a Disrupted Day, and the Determination Agent shall determine:

- (i) in the case of any Underlying Asset that is a Share, the Traded Price for such Share that would have prevailed as of the Valuation Time on that eighth Scheduled Trading Day but for that Disrupted Day; or
- (ii) in the case of any Underlying Asset that is an Index, the level of that Index as at the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the

occurrence of the first Disrupted Day using the Traded Price as at the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, the Traded Price for the relevant security as at the Valuation Time on that eighth Scheduled Trading Day).

### 13.2 Averaging Dates and Lookback Dates

If, in the opinion of the Determination Agent, any Averaging Date or Lookback Date (for the purposes of this General Condition 13.2, a "**Reference Date**") is a Disrupted Day in respect of any Underlying Asset, then:

- (a) **If there is only one Underlying Asset:**
- (i) if the Final terms specifies 'Omission' to be 'Applicable', such date will be deemed not to be a Reference Date for the purposes of determining the relevant level, price or amount, provided that, if, through the operation of this provision, no Reference Date would occur in respect of such Underlying Asset, then the provisions of the definition of 'Valuation Date' and General Condition 13.1 (*Valuation Dates*) (as applicable) will apply for the purposes of determining the relevant level, price or amount on the final Reference Date as if such Reference Date were a Valuation Date that was a Disrupted Day; or
  - (ii) if the Final Terms specifies 'Postponement' to be 'Applicable', the provisions of General Condition 13.1 (*Valuation Dates*) (as applicable) will apply for the purposes of determining the relevant level, price or amount on that Reference Date as if such Reference Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Reference Date would fall on a day that already is or is deemed to be a Reference Date; or
  - (iii) if the Final Terms specifies 'Modified Postponement' to be 'Applicable', then the Reference Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as at the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Reference Date or Disrupted Day, would have been the final Reference Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Reference Date (irrespective of whether that eighth Scheduled Trading Day is already a Reference Date) and (B) the Determination Agent shall determine the relevant level or price for that Reference Date in accordance with General Condition 13.1 (*Valuation Dates*) (as applicable). For the purposes of this General Condition 13.2, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Reference Date does not or is not deemed to occur.
- (b) **If there is more than one Underlying Asset, the Reference Date for each Underlying Asset not affected by the occurrence of a Disrupted Day shall be the original date that, but for the occurrence of a Disrupted Day, would have been the Reference Date for all Underlying Assets (the "Scheduled Reference Date") and for each Underlying Asset affected by the occurrence of a Disrupted Day:**
- (i) where the Final Terms specifies 'Omission' to be 'Applicable', such date will be deemed not to be a Reference Date for the purposes of determining the relevant level, price or amount for such Underlying Asset, provided that, if, through the operation of this provision, no Reference Date would occur in respect of such Underlying Asset, then the provisions of the definition of 'Valuation Date' and General Condition 13.1 (*Valuation Dates*) (as applicable) will apply for the purposes of determining the relevant level, price or amount of such Underlying Asset on the final Reference Date as if such Reference Date were a Valuation Date that was a Disrupted Day; or



- (ii) if the Final Terms specifies 'Postponement' to be 'Applicable', then the provisions of General Condition 13.1 (*Valuation Dates*) (as applicable) will apply for the purposes of determining the relevant level, price or amount of such Underlying Asset on that Reference Date as if such Reference Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Reference Date would fall on a day that already is or is deemed to be a Reference Date; or
- (iii) if the Final Terms specifies 'Modified Postponement' to be 'Applicable', then the Reference Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as at the Valuation Time on the eighth Scheduled Trading Day immediately following the final Scheduled Reference Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Reference Date (irrespective of whether that eighth Scheduled Trading Day is already a Reference Date for such Underlying Asset) and (B) the Determination Agent shall determine the relevant level or price for such Underlying Asset on that Reference Date in accordance with General Condition 13.1 (*Valuation Dates*) (as applicable). For the purposes of this General Condition 13.2(b)(iii), "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day for an Underlying Asset and on which another Reference Date does not or is not deemed to occur.

#### 14. Adjustments

If the Issuer requests that the Determination Agent determine whether an appropriate adjustment can be made in accordance with General Condition 13 (*Consequences of Disrupted Days*), the Issuer shall not be obliged to make any adjustment that it does not think is appropriate and none of the Determination Agent, the Issuer or any other party shall be liable for the Issuer making or failing to make any such adjustment.

In particular, notwithstanding that an adjustment is required to be made by the provisions set out in this Section D: EQUITY LINKED CONDITIONS, DISRUPTION EVENTS AND TAXES AND EXPENSES in respect of any event affecting a Share Company or its Shares, or an Index or its Index Sponsor, the Issuer reserves the right not to make that adjustment if, at the time the adjustment is to be made pursuant thereto, an option or future on the relevant Share or Index is traded on any Futures or Options Exchange and no adjustment is made by that Futures or Options Exchange to the entitlement under that traded option or future in respect of that event.

The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective.

#### 15. Adjustment or early redemption following an Additional Disruption Event

- (a) If an Additional Disruption Event (other than an Issuer Tax Event) occurs:
  - (i) the Determination Agent shall determine whether an appropriate adjustment can be made to the Conditions and/or any other provisions relating to the Securities to account for the economic effect of such Additional Disruption Event on the Securities which would produce a commercially reasonable result and preserve substantially the economic effect to the Holders of a holding of the relevant Security. If the Determination Agent determines that an appropriate adjustment or adjustments can be made, the Issuer shall determine the effective date of such adjustment(s), notify the Holders of such adjustment(s) and take the necessary steps to effect such adjustment(s); or
  - (ii) if the Determination Agent determines that no adjustment that could be made pursuant to paragraph (i) above would produce a commercially reasonable result and preserve substantially the economic effect to the Holders of a holding of the relevant Security, the Determination Agent will notify the Issuer of such determination and no

adjustment(s) shall be made pursuant to paragraph (i) above. In such event, the Issuer shall, on giving irrevocable notice to the Holders of not less than a number of Business Days equal to the Early Redemption Notice Period Number, redeem all of the Securities of the relevant Series on the date specified by it in the notice (the "**Early Cash Redemption Date**") and pay to each Holder, in respect of each Security held by it, an amount equal to the Early Cash Settlement Amount on such date (provided that the Issuer may also, prior to such redemption of the Securities, make any adjustment(s) to the Conditions or any other provisions relating to the Securities as appropriate in order to (when considered together with the redemption of the Securities) account for the effect of such Additional Disruption Event on the Securities).

- (b) If an Issuer Tax Event occurs, the Issuer may, on giving irrevocable notice to the Holders of not less than a number of Business Days equal to the Early Redemption Notice Period Number, redeem all of the Securities of the relevant Series on the date specified by it in the notice (the "**Early Cash Redemption Date**") and pay to each Holder, in respect of each Security held by it, an amount equal to the Early Cash Settlement Amount on such date.

#### 16. **FX Disruption Event**

If the Final Terms specifies 'FX Disruption Event' to be 'Applicable', upon the occurrence of an FX Disruption Event, the Issuer may take any one or more of the following actions:

- (a) deduct from any payments to be made in respect of the Securities an amount calculated by the Determination Agent as representing a cost, expense, charge and/or deduction arising in connection with such FX Disruption Event(s) or under any other adjustment with respect thereto; and/or
- (b) make payment of the relevant Settlement Amount and/or any other amount payable by the Issuer pursuant to the Conditions in the Specified Currency instead of the Settlement Currency, the amount payable in the Specified Currency being determined by the Determination Agent; and/or
- (c) postpone or adjust any Valuation Date or the relevant payment date for any amount payable by the Issuer pursuant to the Conditions until, in the determination of the Determination Agent, an FX Disruption Event is no longer subsisting; and/or
- (d) (in the case of a Price Source Disruption) specify and adopt:
  - (i) an appropriate alternative fallback or alternative price or rate source or method of determination selected by the Determination Agent (which may (or may not) be by reference to dealer poll or such other publication page or service as may replace the relevant page or service for the purpose of displaying a foreign exchange rate comparable or equivalent); or
  - (ii) a replacement of any one or more relevant currencies, as the case may be; and/or
- (e) deem such event to be an Additional Disruption Event for the purpose of these provisions and take any necessary action in accordance with the applicable provisions of General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*), as the case may be, in respect of the Securities.

Upon the occurrence of an FX Disruption Event, the Issuer shall give notice as soon as practicable to the Holders, stating the occurrence of the FX Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Where 'FX Disruption Event' applies, and an event is both a Currency Disruption Event and an FX Disruption Event, such event shall be deemed to be an FX Disruption Event.

**17. Local Jurisdiction Taxes and Expenses**

If the Final Terms specifies 'Local Jurisdiction Taxes and Expenses' to be 'Applicable' in relation to any Securities (except Securities listed on the regulated market of Borsa Italiana S.p.A.):

- (a) the Issuer shall deduct from amounts payable to (or from any further Securities or other assets deliverable to) a Holder all Local Jurisdiction Taxes and Expenses, not previously deducted from amounts paid (or further Securities or assets delivered) to such Holder, as the Determination Agent shall determine are attributable to such Securities; or
- (b) the Issuer may request that the Determination Agent determines whether an appropriate adjustment can be made to the Conditions and any other provisions relating to the Securities to account for such Local Jurisdiction Taxes and Expenses. If the Determination Agent determines that such adjustment(s) can be made, the Issuer shall determine (subject in the case of French Securities to the prior consent of the General Meeting of the Holders) the effective date of such adjustment(s) and take the necessary steps to effect such adjustment(s). The Issuer shall notify Holders of any such adjustment(s), as soon as reasonably practicable after the nature and effective date of the adjustments are determined. If the Determination Agent determines that no adjustment that could be made would produce a commercially reasonable result, it shall notify the Issuer of such determination and no adjustment(s) shall be made and paragraph (a) above shall apply to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Local Jurisdiction Taxes and Expenses and Holders shall be liable to pay any Local Jurisdiction Taxes and Expenses attributable to their Securities, and, unless an adjustment is made in accordance with this General Condition 17, any such Local Jurisdiction Taxes and Expenses shall be deducted from the Cash Settlement Amount or any other amount payable to (or from any further Securities or other assets deliverable to) a Holder in respect of the Securities. This Local Jurisdiction Taxes and Expenses provision shall apply in addition to any other rights the Issuer may have in relation to Taxes, Settlement Expenses and/or conditions to settlement as set out in the Conditions.

**18. Indicative amounts**

If the Final Terms provides that the Securities are being offered by way of a Public Offer, the Final Terms may specify an indicative amount, an indicative minimum amount, or an indicative maximum amount, or any combination of the foregoing, as applicable, in relation to any Specified Product Value which is not fixed or determined at the commencement of the Offer Period. If so specified in the Final Terms, references in these Conditions to such Specified Product Value shall be construed as the amount, level, percentage, price, rate or value (as applicable) determined based on market conditions by the Issuer on or around the end of the Offer Period, and is expected to be the indicative amount specified in the Final Terms (if so specified) but may be different from such indicative amount, and:

- (a) if an indicative minimum amount is provided in the Final Terms, the Specified Product Value will not be less than (or equal to) such indicative minimum amount; or
- (b) if an indicative maximum amount is provided in the Final Terms, the Specified Product Value will not be more than (or equal to) such indicative maximum amount; or
- (c) if both an indicative minimum amount and indicative maximum amount is provided in the Final Terms, the Specified Product Value will not be less than (or equal to) such indicative minimum amount and will not be more than (or equal to) such indicative maximum amount.

Notice of the relevant Specified Product Value will be published prior to the Issue Date when such Specified Product Value is fixed or determined by the Issuer on or around the end of the Offer Period and the relevant amount, level, percentage, price, rate or value specified in such notice will be deemed to be the Specified Product Value.

For these purposes, "**Specified Product Value**" means any amount, level, percentage, price, rate or value (including, but not limited to, the Participation, Interest Barrier Percentage, Lower Barrier Percentage, Upper Barrier Percentage, Knock-out Barrier Percentage, Margin, Autocall Barrier Percentage, Final Barrier Percentage, Strike Price Percentage or Knock-in Barrier Percentage, Fixed Interest Rate, Minimum Interest Rate, Maximum Interest Rate, Lower Strike Price Percentage, and Cap) which is specified in these Conditions as the amount, level, percentage, price, rate or value (as applicable) to be provided in the Final Terms (or phrases of similar import).

19. **Effect of adjustments**

All determinations made by the Determination Agent pursuant to this Section D: EQUITY LINKED CONDITIONS, DISRUPTION EVENTS AND TAXES AND EXPENSES shall be conclusive and binding on the Holders, the Issue and Paying Agent and the Issuer, except in the case of manifest error.

20. **Depository Receipt Provisions**

20.1 **Partial Lookthrough Depository Receipt Provisions**

Where the Final Terms specifies 'Partial Lookthrough Depository Receipt Provisions' to be 'Applicable' in respect of a Share, then the provisions set out below shall apply, and, in relation to such Share, the other General Conditions shall be deemed to be amended and modified as set out in this General Condition 20.1.

- (a) The definition of 'Potential Adjustment Event' shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following or a declaration by the Share Company of the terms of any of the following:

- (i) a subdivision, consolidation or reclassification of the relevant Shares and/or Underlying Share (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Share to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Share of (i) additional Shares and/or Underlying Share, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of dissolution, liquidation or termination of the Shares Company or Underlying Share Company, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Share, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company or Underlying Share Company, as appropriate, as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price;
- (iii) in respect of a Share and/or Underlying Share, an amount per Share and/or Underlying Share which the Determination Agent determines should be characterised as an extraordinary dividend;
- (iv) a call by the Share Company or Underlying Share Company, as appropriate, in respect of the relevant Shares and/or Underlying Share that are not fully paid;
- (v) a repurchase by the relevant Share Company or Underlying Share Company, as appropriate, or any of its subsidiaries of the relevant Shares and/or Underlying Share whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (vi) in respect of the Share Company or Underlying Share Company, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Company or Underlying Share Company, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
  - (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares and/or Underlying Share; or
  - (viii) the making of any amendment or supplement to the terms of the Deposit Agreement, provided that an event under (i) to (vii) (inclusive) above in respect of the Underlying Share shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.'
- (b) If the Determination Agent determines that:
- (i) an event under (i) to (vii) (inclusive) of the definition of 'Potential Adjustment Event' has occurred in respect of any Underlying Share, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares; or
  - (ii) an event under (viii) of the definition of 'Potential Adjustment Event' has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Securities;

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Determination Agent determines appropriate to account for (x) in respect of an event under (i) to (vii) (inclusive) of the definition of 'Potential Adjustment Event', that diluting or concentrative effect, and (y) in respect of an event under (viii) of the definition of 'Potential Adjustment Event', such economic effect on the Securities, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) following the Potential Adjustment Event. The Determination Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

Any adjustment to the terms of the Securities following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of its relevant Affiliates or a foreign investor charged on subscription, acquisition or receipt of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Determination Agent in good faith.

Notwithstanding the above, the Issuer may, alternatively, on giving notice to the Holders, elect, in lieu of the Determination Agent making an Adjustment in respect of a Potential Adjustment Event, to deliver to each Holder one or more additional Securities (the "**Adjustment Event Securities**") and/or pay to each Holder a cash amount (the "**Adjustment Event Amount**") to account for the diluting or concentrative effect of such Potential Adjustment Event. Where the Issuer elects to deliver Adjustment Event Securities, such Adjustment Event Securities will be issued on the same (or substantially the same) terms as the relevant Securities as the Determination Agent may determine. In such notice the Issuer will set out the amount of Securities to be delivered

and/or cash to be paid and the manner in which such delivery and/or payment is to be made.

For the purpose of this General Condition 20.1, General Condition 12.1 (*Potential Adjustment Events*) will not apply.

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer (where applicable) and the Holders that the relevant consequence shall be the early redemption of the Securities, in which case, on such date as selected by the Determination Agent in its reasonable commercial discretion, the Issuer shall redeem the Securities upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Security held by it an amount equal to the Early Cash Settlement Amount (as defined in General Condition 35 (*Definitions and interpretation*)).

- (c) The definitions of 'Merger Event' and 'Tender Offer' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'. If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Share, then where the Determination Agent makes an adjustment to the Securities in connection with a Merger Event or Tender Offer, the Determination Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (d) The definitions of 'Nationalisation', 'Insolvency' and 'Delisting' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'.

If any of 'Nationalisation', 'Insolvency' or 'Delisting' occurs in respect of the Underlying Share or the Underlying Share Company, then the consequence of such events shall be interpreted consistently.

Notwithstanding anything to the contrary in the definition of 'Delisting', a Delisting shall not occur in respect of the Underlying Share if the Underlying Share is immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.

- (e) The definition of 'Insolvency Filing' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'.

If 'Insolvency Filing' occurs in respect of the Underlying Share or the Underlying Share Company, then the consequence of such event shall be interpreted consistently.

- (f) The definition of 'Announcement Date' to add at the end thereof the following:

'(c) in the case of a termination of the Deposit Agreement, the date of the first public announcement by the Depository that the Deposit Agreement is (or will be) terminated.'

## 20.2 Full Lookthrough Depository Receipt Provisions

Where the Final Terms specifies 'Full Lookthrough Depository Receipt Provisions' to be 'Applicable' in respect of a Share, then the provisions set out below shall apply, and, in relation to such Share, the other General Conditions shall be deemed to be amended and modified as set out in this General Condition 20.2.

- (a) The definition of 'Potential Adjustment Event' shall be amended so that it reads as follows:

**"Potential Adjustment Event"** means any of the following or a declaration by the Share Company of the terms of any of the following:

- (i) a subdivision, consolidation or reclassification of the relevant Shares and/or Underlying Share (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares and/or Underlying Share to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a distribution, issue or dividend to existing holders of the relevant Shares and/or Underlying Share of (i) additional Shares and/or Underlying Share, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of dissolution, liquidation or termination of the Shares Company or Underlying Share Company, as appropriate, equally or proportionately with such payments to holders of such Shares and/or Underlying Share, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company or Underlying Share Company, as appropriate, as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price;
  - (iii) in respect of a Share and/or Underlying Share, an amount per Share and/or Underlying Share which the Determination Agent determines should be characterised as an extraordinary dividend;
  - (iv) a call by the Share Company or Underlying Share Company, as appropriate, in respect of the relevant Shares and/or Underlying Share that is not fully paid;
  - (v) a repurchase by the Share Company or Underlying Share Company, as appropriate, or any of its subsidiaries of the relevant Shares and/or Underlying Share whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (vi) in respect of the Share Company or Underlying Share Company, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Company or Underlying Share Company, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
  - (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares and/or Underlying Share; or
  - (viii) the making of any amendment or supplement to the terms of the Deposit Agreement, provided that an event under (i) to (vii) (inclusive) above in respect of the Underlying Share shall not constitute a Potential Adjustment Event unless, in the opinion of the Determination Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares.'
- (b) If the Determination Agent determines that:
- (i) an event under (i) to (vii) (inclusive) of the definition of 'Potential Adjustment Event' has occurred in respect of any Underlying Share, the Determination Agent

will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares; or

- (ii) an event under (viii) of the definition of 'Potential Adjustment Event' has occurred, the Determination Agent will determine whether such Potential Adjustment Event has an economic effect on the Securities;

and, in each case, the Determination Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Determination Agent determines appropriate to account for (x) in respect of an event under (i) to (vii) (inclusive) of the definition of 'Potential Adjustment Event', that diluting or concentrative effect, and (y) in respect of an event under (viii) of the definition of 'Potential Adjustment Event', such economic effect on the Securities, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) following the Potential Adjustment Event. The Determination Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

Any adjustment to the terms of the Securities following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of its relevant Affiliates or a foreign investor charged on subscription, acquisition or receipt of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Determination Agent in good faith.

Notwithstanding the above, the Issuer may, alternatively, on giving notice to the Holders, elect, in lieu of the Determination Agent making an Adjustment in respect of a Potential Adjustment Event, to deliver to each Holder one or more additional Securities (the "**Adjustment Event Securities**") and/or pay to each Holder a cash amount (the "**Adjustment Event Amount**") to account for the diluting or concentrative effect of such Potential Adjustment Event. Where the Issuer elects to deliver Adjustment Event Securities, such Adjustment Event Securities will be issued on the same (or substantially the same) terms as the relevant Securities as the Determination Agent may determine. In such notice the Issuer will set out the amount of Securities to be delivered and/or cash to be paid and the manner in which such delivery and/or payment is to be made.

For the purpose of this General Condition 20.2, General Condition 12.1 (*Potential Adjustment Events*) will not apply.

If the Determination Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer (where applicable) and the Holders that the relevant consequence shall be the early redemption of the Securities, in which case, on such date as selected by the Determination Agent in its reasonable commercial discretion, the Issuer shall redeem the Securities upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Security held by it an amount equal to the Early Cash Settlement Amount (as defined in General Condition 35 (*Definitions and interpretation*)).

- (c) The definitions of 'Merger Event' and 'Tender Offer' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'. If the Determination Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Share, then where the Determination Agent makes an adjustment to the Securities in connection with a Merger Event or



Tender Offer, the Determination Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

- (d) The definitions of 'Nationalisation', 'Insolvency' and 'Delisting' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'.

If any of 'Nationalisation', 'Insolvency' or 'Delisting' occurs in respect of the Underlying Share or the Underlying Share Company, then the consequence of such events shall be interpreted consistently.

- (e) The definition of 'Insolvency Filing' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'.

If 'Insolvency Filing' occurs in respect of the Underlying Share or the Underlying Share Company, then the consequence of such event shall be interpreted consistently.

- (f) The definition of 'Announcement Date' to add at the end thereof the following:

'(c) in the case of a termination of the Deposit Agreement, the date of the first public announcement by the Depository that the Deposit Agreement is (or will be) terminated.'

- (g) For the purpose of determining whether a Market Disruption Event has occurred in respect of the Share, the following amendments shall be deemed to be made to the General Conditions:

(i) each reference in the definition of 'Exchange Business Day', 'Scheduled Closing Time', 'Scheduled Trading Day', 'Trading Disruption', 'Exchange Disruption', 'Early Closure' and 'Disrupted Day', to the 'Exchange' shall be deemed to include a reference to the primary exchange or quotation system on which the Underlying Share is traded; and

(ii) the definition of 'Market Disruption Event', 'Trading Disruption' and 'Exchange Disruption' shall be amended so that (x) all references to 'Shares' shall be deleted and replaced with the words 'Shares and/or the Underlying Share'; and (y) all references to 'Share Company' shall be deleted and replaced with the words 'Share Company or Underlying Share Company, as appropriate'. If the event described in such provisions occurs in respect of the Underlying Share or the Underlying Share Company, then the consequence of such event shall be interpreted consistently.

## E. GENERAL PROVISIONS

### 21. Events of Default

If any of the following events occurs and is continuing (each an "**Event of Default**") and unless the Event of Default shall have been cured by the Issuer or waived by the Holders prior to receipt by the Issue and Paying Agent or the Issuer, as the case may be, of a notice from Holders as referred to below, a Holder (or, in respect of French Notes and if the Final Terms specifies the '*Masse* Category' to be '*Full Masse*' or '*Contractual Masse*' in accordance with General Condition 29.3 (*Modifications of French Notes*) the Representative of the Holders, upon request by any Holder of any French Note), may give notice to the Issuer and the Issue and Paying Agent (and, in respect of any Security that is not a CREST Security) or to the Issuer (in respect of any CREST Security) that such Security is, and in all cases such Security shall immediately become, due and payable (in respect of French Notes and if the Final Terms specifies the '*Masse* Category' to be '*Full Masse*' in accordance with General Condition 29.3 (*Modifications of French Notes*), all

Securities (but not some only) shall become due and payable) at, in respect of each Calculation Amount for such Security, the Early Cash Settlement Amount (and, notwithstanding that the Final Terms specifies the 'Settlement Method' to be 'Physical', cash settlement shall be deemed to apply as if the Final Terms specified the 'Settlement Method' to be 'Cash'):

- (a) the Issuer does not pay any Optional Cash Settlement Amount, Autocall Cash Settlement Amount, Early Cash Settlement Amount or Final Cash Settlement Amount, as applicable, in respect of the Securities when the same is due and payable and such failure continues for 30 calendar days;
- (b) any interest has not been paid within 14 calendar days of the due date for payment. The Issuer shall not, however, be in default if such sums were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14-calendar-day period by independent legal advisers; or
- (c) the Issuer fails to deliver any Entitlement on the due date for delivery and such failure to deliver has not been remedied within 30 calendar days of notice of such failure having been given to the Issuer by any Holder, provided that an Event of Default shall not occur under this General Condition 21(c) if (i) any of the conditions to settlement to be satisfied by the Holder have not been so satisfied as at the due date for delivery or (ii) the Issuer has elected to pay the Disruption Cash Settlement Price or Alternate Cash Amount pursuant to General Condition 6.1(b) (*Settlement Disruption Event*) or General Condition 6.1(c) (*Alternate Cash Amount*); or
- (d) the Issuer breaches any term and condition of the Securities in a way that is materially prejudicial to the interests of the Holders, and that breach has not been remedied within 30 calendar days of the Issuer having received notice thereof from Holders holding at least one quarter in outstanding nominal amount or number, as the case may be, of the relevant Series demanding remedy; or
- (e) an order is made or an effective resolution is passed for the winding-up of the Issuer (otherwise than in connection with a scheme of reconstruction, merger or amalgamation), the terms of which have been previously approved by an Extraordinary Resolution of the Holders.

In respect of French Securities in bearer form (*au porteur*) other than French Notes and if the Final Terms specifies the 'Masse Category' to be 'Full Masse' or 'Contractual Masse', the notice to the Issuer and the French Issue and Paying Agent referred to above must be sent together with evidence from the relevant financial intermediary that the relevant Securities are inscribed in the Holder's securities accounts held by such financial intermediary.

For the purposes of calculating any Early Cash Settlement Amount at any time following an Event of Default, the Determination Agent will ignore the effect of such Event of Default upon the market value of the Securities.

## 22. Agents

### 22.1 Appointment of Agents

The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right to vary or terminate the appointment of the Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain:

- (a) an Issue and Paying Agent;
- (b) a Registrar and a Transfer Agent in relation to Registered Securities;

- (c) one or more Determination Agent(s) where these General Conditions so require;
- (d) Paying Agents having specified offices in at least two major European cities;
- (e) such other agents as may be required by any stock exchange on which the Securities may be listed;
- (f) to the extent not already satisfied pursuant to (d) or (e) above, in relation to Definitive Bearer Securities, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (g) a CREST Agent so long as any CREST Securities are outstanding; a French Issue and Paying Agent, so long as French Cleared Securities or French Securities are outstanding; a Danish Issue and Paying Agent, so long as any Danish Securities are outstanding; a Finnish Issue and Paying Agent, so long as any Finnish Securities are outstanding; a Swedish Issue and Paying Agent and Euroclear Sweden as the central securities depository, so long as any Swedish Securities are outstanding; and a Norwegian Issue and Paying Agent and an authorised VPS account manager (*Kontofører*) as Accountholder, so long as any Norwegian Securities are outstanding and, in each case, in accordance with the Relevant Rules; and
- (h) in the case of French Securities in fully registered form (*au nominatif pur*), a Registration Agent.

Notice of any termination of appointment and of any changes to the specified office of any Agent will be given to Holders.

## 22.2 Determinations by the Determination Agent

Unless otherwise specified, all determinations, considerations, decisions, elections and calculations in the Conditions shall be made by the Determination Agent (which will be Barclays Bank PLC, unless otherwise specified in the Final Terms). In respect of each such determination, consideration, decision, election and calculation, this General Condition 22.2 shall apply.

In making such determinations, considerations, decisions, elections and calculations, the Determination Agent may take into account the impact on the Issuer's hedging arrangements. In all circumstances the Determination Agent shall make such determinations and calculations in good faith and in a commercially reasonable manner, and (save in the case of manifest or proven error) such determinations and calculations shall be final and binding on the Issuer, the Agents and the Holders. In respect of French Securities, the Determination Agent shall act as an independent expert in the performance of its duties hereunder.

## 22.3 Responsibility of the Issuer and the Agents

Save in respect of French Securities, neither the Issuer nor any Agent shall be held responsible for any loss or damage, resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott or lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of such parties itself takes such measures or becomes the subject of such measures. Where the Issuer or any of the Agents is prevented from effecting payment or delivery due to such event, payment or delivery may be postponed until the time the event or circumstance impeding payment has ceased, and shall have no obligation to pay or deliver any additional amounts in respect of such postponement.

## 23. Taxation

The Issuer is not liable for, or otherwise obliged to pay amounts in respect of, any Taxes borne by a Holder. A Holder must pay all Taxes arising from or payable in connection with all payments relating to the Securities and all payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Bank Jurisdiction (or any authority or political subdivision thereof or therein having power to tax) unless such withholding or deduction is required by law.

In that event, the appropriate withholding or deduction shall be made and the Issuer shall pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts receivable by the relevant Holder shall equal the respective amounts that would have been receivable by such Holder in the absence of such withholding or deduction. Notwithstanding the above, no Additional Amounts shall be payable with respect to any Security:

- (a) to, or to a third party on behalf of, a Holder who is liable for such Taxes in respect of such Securities by reason of his having a connection with the Bank Jurisdiction other than the mere holding of the relevant Security or Coupon; or
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security or Coupon is presented for payment or, in the case of French Securities, in the place of residence of the Holder; or
- (c) where such withholding or deduction is imposed on a payment to an individual and required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) (except in the case of French Securities) presented for payment more than 30 calendar days after the Relevant Date, except to the extent that the Holder would have been entitled to an Additional Amount on presenting such Security for such payment on the last day of such 30-day period; or
- (e) where such withholding or deduction is required by FATCA (as defined in this section) or the rules of the Code, including without limitation, in respect of dividends, dividend equivalent payments, direct and indirect interests in US real property (for the purpose of this subsection, "**FATCA**" means sections 1471 through 1474 of the Code (or any amended or successor provisions) or pursuant to any agreement with the US Internal Revenue Service or in furtherance of any intergovernmental agreement in respect thereof); or
- (f) (except in the case of Registered Securities, French Securities or CREST Securities) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another Paying Agent without such deduction or withholding; or
- (g) in relation to Definitive Bearer Securities, unless it is proved, to the satisfaction of the Issue and Paying Agent or the Paying Agent to whom the Security or Coupon is presented or, in respect of CREST Securities, to the satisfaction of the Issuer, that the Holder is unable to avoid such withholding or deduction by satisfying any applicable certification, identification or reporting requirements or by making a declaration of non-residence or other similar claim for exemptions to the relevant tax authorities.

The imposition of any withholding or deduction on any payments in respect of the Securities by or on behalf of the Issuer will be an "**Issuer Tax Event**" if such withholding or deduction is required

by law (and for these purposes, any withholding covered by paragraph (e) above shall be considered to be required by law).

**24. Prescription**

**24.1 Prescription in relation to Securities (other than Danish Securities, Finnish Securities and Norwegian Securities)**

Claims for payment of principal shall become void unless made within ten years and claims for interest shall become void unless made within five years of the appropriate Relevant Date.

**24.2 Prescription in relation to Danish Securities**

In the case of Danish Securities, claims against the Issuer for the payment of principal and interest payable in respect of the Danish Securities shall, in accordance with section 73 of the Securities Trading Act, be void unless made within ten years (in the case of principal) and three years (in the case of interest) of the Relevant Date therefor and thereafter any principal or interest in respect of such Danish Securities shall be forfeited and revert to the Issuer.

**24.3 Prescription in relation to Finnish Securities**

In the case of Finnish Securities, claims against the Issuer for the payment of principal and interest payable in respect of the Securities shall be prescribed unless made within three years of the Relevant Date, and thereafter any principal or interest payable under such Securities shall be forfeited and revert to the Issuer.

**24.4 Prescription in relation to Norwegian Securities**

In the case of Norwegian Securities, claims against the Issuer for the payment of principal and interest payable in respect of the Securities shall be prescribed unless made within three years of the Relevant Date, and thereafter any principal or interest payable under such Securities shall be forfeited and revert to the Issuer.

**25. Early redemption for unlawfulness or impracticability**

If the Issuer determines in good faith and in a commercially reasonable manner that the performance of any of its absolute or contingent obligations under the Securities has become, or there is a substantial likelihood that it will become, unlawful or a physical impracticability, in whole or in part, as a result of (a) any change in financial, political or economic conditions or currency exchange rates or (b) compliance in good faith by the Issuer or any relevant subsidiaries or Affiliates with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative or judicial authority or power or in interpretation thereof, the Issuer may, at its option, redeem or terminate the Securities by giving notice to Holders.

If the Issuer redeems the Securities pursuant to this General Condition 25, then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder, in respect of each Security held by it, an amount equal to the Early Cash Settlement Amount.

**26. Replacement of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Securities, Norwegian Securities or Swedish Securities)**

Should any Security or Coupon in respect of any Series be lost, stolen, mutilated, defaced or destroyed, it may, subject to all applicable laws, regulations and any Relevant Stock Exchange or any other relevant authority requirements, be replaced at the specified office of the Issue and Paying Agent, in the case of Bearer Securities, or the Registrar, in the case of Registered Securities, or of such other Paying Agent or Transfer Agent, if the Issuer designates such and

gives notice of the designation to Holders. The replacement of any Security or Coupon shall be subject to payment by the claimant of the fees, expenses and Taxes incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may require.

## 27. Notices

### 27.1 To Holders

All notices to Holders will be given in writing and deemed to have been duly given and valid:

- (a) **in the case of Bearer Securities**, if published in a daily newspaper of general circulation in England (which is expected to be the Financial Times) and will be deemed to have been given on the date of first publication;
- (b) **in the case of listed Securities**, if given in accordance with the rules and regulations of the Relevant Stock Exchange or other relevant authority and will be deemed to have been given on the first date of transmission or publication;
- (c) **if publication pursuant to (a) or (b) is not practicable**, if published in another leading English language daily newspaper with circulation in Europe on the date of first publication;
- (d) **in the case of Registered Securities**, if mailed to the relevant Holders of such Registered Securities at their respective designated addresses appearing in the Register and will be deemed delivered on the third weekday (being a day other than a Saturday or a Sunday) after the date of mailing;
- (e) **in the case of Cleared Securities**, if given to the Relevant Clearing System provided that any publication or other requirements required pursuant to General Condition 27.1(b) shall also be complied with if applicable. In such cases, notices will be deemed given on the first date following the day of transmission to the applicable Relevant Clearing System;
- (f) **in the case of CREST Securities**, if mailed to the relevant Holders of such CREST Securities at their respective designated addresses appearing in the Record on the second CREST Business Day immediately prior to despatch of such notice and will be deemed delivered on the third weekday (being a day other than a Saturday or a Sunday) after the date of mailing or, in substitution for mailing, if given to the Operator in which case it will be deemed delivered on the first date following the day of transmission to the Operator (regardless of any subsequent mailing);
- (g) **in the case of Danish Securities**, if mailed to their registered addresses appearing on the register of VP. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed;
- (h) **in the case of Finnish Securities**, if sent by mail to the Holders at the addresses registered for such Holders in the register maintained by Euroclear Finland in accordance with the Relevant Rules and provided to the Issuer or the Issue and Paying Agent;
- (i) **in the case of French Cleared Securities**, if published in a daily newspaper of general circulation in France (which is expected to be *Les Echos*) and will be deemed to have been given on the date of first publication;
- (j) **in the case of French Securities in registered form (*au nominatif*)**, if mailed to the Holders at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after

mailing. In substitution for mailing and publication, notices to the Holders of French Securities (whether in registered (*au nominatif*) or in bearer (*au porteur*) form) may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Securities are for the time being cleared;

- (k) **in the case of Norwegian Securities**, if mailed to the Issue and Paying Agent who shall deliver same to the VPS which in turn will distribute the notice through the VPS System (to the Accountholders for the Holders of Norwegian Securities); and/or
- (l) **in the case of Swiss Securities**, if published on the internet on the website *www.barxis.com* or any successor webpage thereto. Any such notice shall be deemed to have been given on the day of publication on the website.

Failure to give notice where required will not invalidate the determination, calculation or correction, as applicable.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to holders of Bearer Securities.

## 27.2 To the Issuer and the Agents

In respect of any Series, all notices to the Issuer and/or the Agents must be sent to the address specified for each such entity in the Master Agency Agreement or to such other person or place as shall be specified by the Issuer and/or the Agent by notice given to Holders. Any notice determined not to be valid, effective, complete and in proper form shall be null and void unless the Issuer and the Relevant Clearing System, or, in respect of CREST Securities, the Issuer and the Operator, or, in respect of French Securities, the Issuer and the French Issue and Paying Agent, agree otherwise. This provision shall not prejudice any right of the person delivering the notice to deliver a new or corrected notice. The Issuer, Operator, Paying Agent, Registrar or Transfer Agent shall use all reasonable endeavours promptly to notify any Holder submitting a notice if it is determined that such notice is not valid, effective, complete or in the proper form.

## 28. Substitution (Securities other than French Securities)

In respect of Securities other than French Securities, the Issuer shall be entitled at any time, without the consent of the Holders, to substitute any other entity, the identity of which shall be determined by the Issuer, to act as issuer in respect of Securities then outstanding pursuant to the Programme (the "**New Bank Issuer**"), provided that (a) the New Bank Issuer's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as Barclays Bank PLC's long-term rating at the date on which the substitution is to take effect or the New Bank Issuer has an equivalent long-term rating from another internationally recognised rating agency and (b) no Event of Default as set out in General Condition 21 (*Events of Default*) shall occur as a result thereof. Any such substitution shall take effect upon giving notice to the Holders of each Series then outstanding, the UK Listing Authority and any other Relevant Stock Exchange and the relevant Agents.

In the event of any such substitution, any reference in the Conditions to the Issuer shall be construed as a reference to the New Bank Issuer. In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or the New Bank Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.

In respect of Finnish Securities, notwithstanding the above, such substitution may only take place if Euroclear Finland gives its consent to the substitution of the Issuer with the New Bank Issuer.

In respect of Norwegian Securities, notwithstanding the above, such substitution may only take place if the VPS gives its consent to the substitution of the Issuer with the New Bank Issuer.

In respect of Swedish Securities, notwithstanding the above, such substitution may only take place if Euroclear Sweden gives its consent to the substitution of the Issuer with the New Bank Issuer.

The provisions of this Condition shall not apply to the Securities for so long as (a) the Securities are admitted to listing on Borsa Italiana S.p.A. and to trading on the SeDeX of Borsa Italiana S.p.A. and (b) the rules of Borsa Italiana S.p.A., as interpreted by it, so require.

## **29. Modifications and meetings of Holders**

### **29.1 Modifications without consent of Holders (Securities other than French Securities)**

The Conditions of the Securities of any Series and/or the Master Agency Agreement and/or the Deed of Covenant may be amended by the Issuer in each case without the consent of the Holders if, in the reasonable opinion of the Issuer, the amendment (a) is of a formal, minor or technical nature, (b) is made to correct a manifest or proven error or omission, (c) is made to comply with mandatory provisions of the law of the Bank Jurisdiction, and/or in order to comply with the amendments to any applicable laws and regulations, or (in the case of CREST Securities and on the condition that Holders of CREST Securities are given prior notice where reasonably practicable) any change in any of the CREST Requirements, (d) is made to cure, correct or supplement any defective provision contained herein and/or (e) will not materially and adversely affect the interests of the Holders. Any such modification shall be binding on the Holders and any such modification shall take effect by notice to the Holders.

### **29.2 Modifications requiring the consent of the Holders (Securities other than French Notes)**

#### **(a) Consent by written resolution**

In addition to the powers described in paragraph (b) and paragraph (c) below, in order to modify and amend the Master Agency Agreement and the Securities (including the General Conditions), a resolution in writing signed by or on behalf of the Holders of not less than 90 per cent in aggregate nominal amount of Securities at the time outstanding or number, as applicable, shall be as effective as an Extraordinary Resolution duly passed at a meeting of Holders of Securities of the relevant Series. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders. Any such resolution shall be binding on all Holders of Securities of that Series, whether signing the resolution or not.

#### **(b) Majority Consent**

Subject as provided in paragraph (c) below, the Master Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the amendment of the Master Agency Agreement and/or of any of the Conditions relating to a Series.

Such a meeting may be convened by the Issuer or Holders holding not less than 10 per cent in aggregate nominal amount of the Securities at the time outstanding or number, as applicable. At least 21 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is to be held) specifying the date, time and place of the meeting shall be given to Holders.

Except for the purposes of passing an Extraordinary Resolution, a quorum shall be two or more persons holding or representing a clear majority in number of the Securities held or represented. Any such resolution duly passed shall be binding on all Holders of Securities of that Series, whether present or not.



**(c) Consent by Extraordinary Resolution**

An Extraordinary Resolution will need to be passed in respect of any of the following modifications:

- (i) to amend the dates of maturity or redemption of any Securities, or any date for payment of interest on any Securities, or to extend the date for expiration, settlement or payment of any coupon in relation to a Security;
- (ii) to reduce or cancel the nominal amount of any Entitlement or any premium payable on redemption of the Securities;
- (iii) to reduce the rate or rates of interest in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest amount or coupon in respect of the Securities;
- (iv) to reduce any minimum and/or maximum rate of interest, or maximum and/or minimum tradable amount;
- (v) to vary any method of, or basis for, calculating any Settlement Amount or Entitlement (other than as provided for in the Conditions);
- (vi) to vary the currency or currencies of payment or denomination of the Securities;  
or
- (vii) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass the Extraordinary Resolution.

The quorum required to pass an Extraordinary Resolution shall be two or more persons holding or representing not less than 75 per cent or at any adjourned meeting not less than 25 per cent in nominal amount or number, as applicable, for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all the Holders of the relevant Series, regardless of whether they are present at the meeting.

The Holder of a Permanent Global Security shall (unless such Permanent Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, the Holder of a Permanent Global Security shall be treated as having one vote in respect of each integral currency unit of the Settlement Currency of the Security, in the case of Notes, or in respect of each integral currency unit of the applicable Calculation Amount, in the case of Certificates.

**(d) Consent in respect of Finnish Securities**

In addition to the provisions set out in (a) above, the following shall apply in respect of the Finnish Securities:

Only those who, according to the register kept by Euroclear Finland in respect of the Securities, were registered as Holders on the fifth Business Day prior to the meeting of Holders on the list of Holders, or proxies authorised by such Holders, shall, if holding any of the nominal amount of the Securities at the time of the meeting, be entitled to vote at the meeting and shall be recorded in the list of the Holders present at the meeting of Holders.

A meeting of Holders shall be held in Helsinki and its chairman shall be appointed by the Issuer. If the Issuer fails to appoint such a chairman no later than five days prior to the meeting of Holders, he or she shall be appointed by the Issue and Paying Agent.

Resolutions passed at a meeting of Holders shall be deemed to have been notified to the Holders once they have been entered into the issue account of the Securities maintained

by Euroclear Finland. In addition, Holders are obliged to notify subsequent transferees of the Securities of the resolutions of the meeting of Holders.

(e) **Consent in respect of Swedish Securities**

In addition to the provisions set out in (a) above the following shall apply in respect of the Swedish Securities:

Only Holders registered as Holders on the fifth Business Day prior to the Holders' meeting (or the procedure in writing) are entitled to vote at the Holders' meeting (or the procedure in writing). The Issue and Paying Agent shall ensure that there is an excerpt from the register kept by Euroclear Sweden available at the Holders' meeting (or the procedure in writing) showing the registered Holders on the fifth Banking Day prior to the Holders' meeting (or the procedure in writing).

Holders of Securities registered with nominees shall be considered Holders instead of the authorised nominee if the Holder shows a certificate from the authorised nominee (i) certifying that the relevant person was the holder of Securities on the fifth Banking Day prior to the Holders' meeting (or procedure in writing), and (ii) showing the number of Securities held by that person on the fifth Business Day prior to the Holders' meeting (or the procedure in writing). In respect of Securities registered with authorised nominees, the authorised nominee shall be regarded as present at the Holders' meeting (or the procedure in writing) with the number of Securities that the nominee represents as Holder.

### 29.3 Modifications of French Notes

In respect of French Notes, the following shall apply:

- (a) if the Final Terms specifies 'No *Masse*', the Holders will not, in respect of all Tranches in any Series, be grouped for the defence of their common interests in a *Masse* (as defined below) and the provisions of the French Code *de commerce* relating to the *Masse* shall not apply; or
- (b) if the Final Terms specifies 'Full *Masse*', the Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* and the provisions of the French Code *de commerce* relating to the *Masse* shall apply subject to the below provisions of this General Condition 29.3.

The names and addresses of the initial Representative (as defined below) of the *Masse* and its alternate will be available upon request at the head office of the Issuer and the specified offices of the Paying Agent(s). The Representative appointed in respect of the first Tranche of any Series will be the representative of the single *Masse* of all Tranches in such Series.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Holders of French Notes (the "**General Meeting**").

In accordance with Article R. 228–71 of the French Code *de commerce*, the right of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Accountholder of the name of such Holder as of 12.00 midnight, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting.

- (c) If the Final Terms specifies 'Contractual *Masse*', the Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "*Masse*") which will be subject to the below provisions of this General Condition 29.3.

The *Masse* will be governed by the provisions of the French Code *de commerce* with the exception of Articles L. 228–48, L. 228–59, the second sentence of Article L. 228–65 II and Articles R. 228–63, R. 228–67 and R. 228–69 subject to the following provisions:

(i) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a General Meeting of the Holders.

The *Masse* alone, to the exclusion of all individual Holders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the French Notes.

(ii) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such a function.

However, the following persons may not be chosen as Representative:

- (A) the Issuer, the members of its Management Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouse; or
- (B) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board or Supervisory Board, their statutory auditors, employees and their ascendants, descendants and spouse; or
- (C) companies holding 10 per cent or more of the share capital of the Issuer or companies having 10 per cent or more of their share capital held by the Issuer; or
- (D) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of the Paying Agent(s).

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, another alternate Representative will be elected by the General Meeting of Holders.

(iii) **Powers of the Representative**

The Representative shall, in the absence of any decision to the contrary of the General Meeting, have the power to take all acts of management necessary in order to defend the common interests of the Holders.

All legal proceedings against the Holders or initiated by them must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(iv) **General Meeting**

A General Meeting may be held at any time on convocation either by the Issuer or by the Representative. One or more Holders, holding together at least one-thirtieth of the nominal amount of the French Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months of such demand, the Holders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided in General Condition 27 (*Notices*) not less than 15 days prior to the date of such General Meeting.

Each Holder has the right to participate in a General Meeting in person or by proxy, correspondence, or, if the by-laws of the Issuer so specify, videoconference or any other means of telecommunication allowing the identification of the participating Holders.

Each French Note carries the right to one vote. General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least one-fifth of the nominal amount of the French Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

In accordance with Article R. 228–71 of the French Code *de commerce*, the rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Accountholder of the name of such Holder on the second business day in Paris preceding the date set for the relevant General Meeting at 12.00 midnight, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set out in General Condition 27 (*Notices*).

(v) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the French Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions, including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Holders, nor authorise or accept a postponement of the date of payment of interest on or a modification of the terms of repayment of or the rate of interest on the French Notes, nor establish any unequal treatment between the Holders.

(vi) **Expenses**

The Issuer will bear the cost of compensating the representative of the *Masse* as well as the expense of calling and holding the General Meetings, publishing its decisions, the fees relating to the appointment of the representative of the *Masse* under Article L.

228–50 of the French Code *de commerce*, where applicable, and, more generally, all costs arising from the administration and operation of the *Masse*.

(vii) **Information to the Holders**

General Meetings shall be held at the registered office of the Issuer or any other place specified in the notice convening the meeting. Each Holder shall have the right, during the 15-day period preceding the General Meeting of the *Masse*, to examine or make copies of the text of the proposed resolutions, as well as any reports to be presented to the General Meeting, at the registered office or administrative headquarters of the Issuer or at such other place as may be specified in the notice convening the meeting, or to cause an agent to do the foregoing on its behalf.

(viii) **Single *Masse***

In the event that subsequent issues of French Notes give subscribers rights identical to those under the French Notes, and if the terms and conditions of such subsequent French Notes so provide, the Holders of all of such French Notes shall be grouped together in a single *masse*.

30. **Further issues**

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further Securities so as to form a single Series with the Securities of any particular Series.

In the case of French Securities, such further Securities shall be assimilated (*assimilables*) with Securities as regards their financial services.

31. **Purchases and cancellations**

The Issuer and any of its subsidiaries may at any time purchase Securities (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

All Securities so purchased may be held, surrendered for cancellation, or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original Series, all in accordance with applicable laws and regulations. If the French Securities are purchased in accordance with, and fulfil the requirements of, Article L. 213–1-A of the French Code *monétaire et financier*, the French Securities may be held for a maximum period of 1 year after their purchase and shall be cancelled at the expiry of such period.

Notwithstanding anything to the contrary above, all CREST Securities so purchased by the Issuer or any of its subsidiaries may be cancelled by agreement between the Issuer and the CREST Agent, provided that such cancellation shall be in accordance with the CREST Requirements in effect at the relevant time.

French Cleared Securities shall be cancelled by being transferred to an account in accordance with rules and procedures of Euroclear France.

32. **Governing law and jurisdiction**

32.1 **Governing law**

(a) **Governing law in relation to Securities other than French Securities and Swiss Securities**

The Securities, Coupons and the Master Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

**(b) Governing law in relation to French Securities**

In the case of French Securities, any contractual or non-contractual obligation arising out of or in connection with French Securities is governed by and shall be construed in accordance with French law.

**(c) Governing law in relation to Swiss Securities**

In the case of Swiss Securities, the Securities, Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Swiss law.

**(d) Danish Securities, Finnish Securities, Norwegian Securities and Swedish Securities**

Danish law will be applicable in respect of the registration (including transfer of title redemption and payments) of Danish Securities in the VP. Finnish law will be applicable in respect of the title to and registration of Finnish Securities in Euroclear Finland. Norwegian law will be applicable in respect of the registration of Norwegian Securities in the VPS. Swedish law will be applicable in respect of the registration of Swedish Securities in Euroclear Sweden.

**32.2 Jurisdiction**

**(a) Jurisdiction in relation to Securities other than French Securities and Swiss Securities**

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Securities, Coupons and/or the Master Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with them shall be brought in such courts.

**(b) Jurisdiction in relation to French Securities**

The competent courts in Paris are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Securities or Coupons and accordingly any legal action or proceedings arising out of or in connection with them shall be brought in such courts.

**(c) Jurisdiction in relation to Swiss Securities**

The courts of Zurich are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Swiss Securities, Coupons and/or the Master Agency Agreement and, accordingly, any legal action or proceedings arising out of or in connection with them shall be brought in such courts.

**33. Contracts (Rights of Third Parties) Act 1999**

In respect of any Securities which are governed by English law, no person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

**34. Severability**

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

## 35. Definitions and interpretation

### 35.1 Definitions

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

**"Account Bank"** means, in relation to a payment denominated in a particular currency, a bank in the principal financial centre for such currency or, where the relevant payment is denominated in euro, in a city in which banks have access to the TARGET System.

**"Accountholder"** has the meaning given to it in General Condition 1.4(a) (*Title to Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Securities, Norwegian Securities, Swedish Securities, Swiss Securities and Swiss Cleared Securities)*).

**"Additional Amounts"** has the meaning given to it in General Condition 23 (*Taxation*).

**"Additional Business Centre"** means each centre specified as such in the Final Terms.

**"Additional Disruption Event"** means:

- (a) unless the Final Terms specifies it to be 'Not Applicable', each of a Change in Law, Currency Disruption Event, Hedging Disruption, Issuer Tax Event, and Extraordinary Market Disruption;
- (b) if the Securities are Share Linked Securities and in each case if the Final Terms specifies it to be 'Applicable', each of Increased Cost of Hedging, Affected Jurisdiction Hedging Disruption, Affected Jurisdiction Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow, Foreign Ownership Event and Fund Disruption Event;
- (c) if the Securities are Index Linked Securities and if so designated by the Determination Agent in accordance with General Condition 11.1 (*Index Adjustment Events*), an Index Adjustment Event;
- (d) if the Securities are Share Linked Securities, each of a Merger Event, Nationalisation, Insolvency, Insolvency Filing, Delisting and Tender Offer;
- (e) if so designated by the Determination Agent in accordance with General Condition 16(e) (*FX Disruption Event*), an FX Disruption Event; and
- (f) if the Securities are CREST Securities, at any time the Securities cease to be held in uncertificated form and/or accepted for clearance through CREST, or notice is received by or on behalf of the Issuer that the CREST Securities will cease to be held in uncertificated form and cleared through CREST and/or CREST is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statute or otherwise) or announces an intention permanently to cease business or does in fact do so.

**"Adjustment(s)"** has the meaning given to it in General Condition 12.1 (*Potential Adjustment Events*).

**"Adjustment Event Amount"** has the meaning given to it in General Condition 12.1 (*Potential Adjustment Events*).

**"Adjustment Event Securities"** has the meaning given to it in General Condition 12.1 (*Potential Adjustment Events*).

**"Affected Assets"** has the meaning given to it in General Condition 6.1(b) (*Settlement Disruption Event*).

"**Affected Entitlement Components**" has the meaning given to it in General Condition 6.1(c) (*Alternate Cash Amount*).

"**Affected Jurisdiction**" means, if the Final Terms specifies 'Affected Jurisdiction Hedging Disruption' and/or 'Affected Jurisdiction Increased Cost of Hedging' to be 'Applicable', the jurisdiction of the Hedge Positions as specified in the Final Terms.

"**Affected Jurisdiction Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities or (b) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the Securities between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"**Affected Jurisdiction Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of Hedge Positions or the Securities between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction.

"**Affected Share(j)**" has the meaning given to it in General Condition 12.3(a)(iii) (*Substitution of Shares*).

"**Affected Share(k)**" has the meaning given to it in General Condition 12.3(a)(iii) (*Substitution of Shares*).

"**Affected Shares**" has the meaning given to it in General Condition 12.3(a)(i) (*Substitution of Shares*).

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

"**Agents**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Aggregate Nominal Amount**" means, on the Issue Date, the aggregate nominal amount of the Securities of such Series specified in the Final Terms and on any date thereafter such amount as reduced by any partial redemption on or prior to such date.

"**Alternate Cash Amount**" means, in respect of each Security, an amount in the Settlement Currency equal to the *pro rata* proportion of the market value of the Affected Entitlement Components on or about the Alternate Cash Amount Settlement Date. Such amount shall be determined by the Determination Agent by reference to such factors as the Determination Agent considers to be appropriate including, without limitation:

- (a) market prices or values for the Underlying Asset(s) and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the relevant time;



- (b) the remaining term of the Securities had they remained outstanding to scheduled maturity or expiry and/or any scheduled early redemption or exercise date;
- (c) the value at the relevant time of any minimum redemption or cancellation amount which would have been payable had the Securities remained outstanding to scheduled maturity or expiry and/or any scheduled early redemption or exercise date;
- (d) internal pricing models; and
- (e) prices at which other market participants might bid for securities similar to the Securities,

provided that, where the Final Terms specifies 'Unwind Costs' to be 'Not Applicable', the Determination Agent shall not take into account deductions for any costs, charges, fees, accruals, losses and expenses, which are incurred by the Issuer or its Affiliates relating to the unwinding of any Hedge Positions and/or related funding arrangements, when determining such amount.

**"Alternate Cash Amount Settlement Date"** means such date as the Issuer may determine.

**"Announcement Date"** means (a) in respect of a Merger Event or Nationalisation or Delisting, the date of the first public announcement of a firm intention, in the case of a Merger Event, to merge or to make an offer and, in the case of a Nationalisation, to nationalise (whether or not amended or on the terms originally announced) and, in the case of a Delisting, the date of the first public announcement by the Exchange that the relevant shares will cease to be listed, traded or publicly quoted that leads to the Merger Event or the Nationalisation or Delisting, as the case may be, and (b) in respect of an Insolvency, the date of the first public announcement of the termination, dissolution or institution of a proceeding, presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency.

**"Autocall Barrier"** has the meaning given to it in General Condition 8.3 (*Relevant defined terms*).

**"Autocall Barrier Percentage"** has the meaning given to it in General Condition 8.3 (*Relevant defined terms*).

**"Autocall Cash Settlement Amount"** has the meaning given to it in General Condition 8.2 (*Autocall Cash Settlement Amount following an Automatic Redemption (Autocall) Event*).

**"Autocall Redemption Date"** has the meaning given to it in General Condition 8.3 (*Relevant defined terms*).

**"Autocall Valuation Date"** has the meaning given to it in General Condition 8.3 (*Relevant defined terms*).

**"Automatic Redemption (Autocall) Event"** has the meaning given to it in General Condition 8.3 (*Relevant defined terms*).

**"Averaging Dates"** means, if applicable, the Averaging-in Dates or Averaging-out Dates as the case may be, in each case subject to adjustment in accordance with General Condition 13 (*Consequences of Disrupted Days*) (each an **"Averaging Date"**).

**"Averaging-in Dates"** has the meaning specified in General Condition 8 (*Automatic Redemption (Autocall)*), General Condition 9.1 (*Vanilla Barrier*), General Condition 9.2 (*European Barrier*), General Condition 9.3 (*American Barrier*), General Condition 9.4 (*Call*), General Condition 9.5 (*Bull-Bear – European Barrier*), General Condition 9.6 (*Bull-Bear – American Barrier*), General Condition 9.7 (*Put Spread*).

**"Averaging-out Dates"** has the meaning specified in General Condition 9.1 (*Vanilla Barrier*), General Condition 9.2 (*European Barrier*), General Condition 9.3 (*American Barrier*), General Condition 9.4 (*Call*), General Condition 9.5 (*Bull-Bear – European Barrier*), General Condition 9.6 (*Bull-Bear – American Barrier*), General Condition 9.7 (*Put Spread*).

**"Bank Jurisdiction"** means, at any time, the jurisdiction of incorporation of the Issuer or any New Bank Issuer substituted therefor in accordance with General Condition 28 (*Substitution (Securities other than French Securities)*).

**"Bank of England Base Rate Determination"** has the meaning given to it in General Condition 7.2(d)(iii) (*Bank of England Base Rate Determination*).

**"Banking Day"** means, in respect of any city, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in that city.

**"Bearer Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Borrow Cost"** means, in respect of a Share or a Component comprised in an Index, the cost to borrow the relevant Share that would be incurred by a third-party market participant borrowing such Shares on the relevant date of determination. Such costs shall include (a) the spread below the applicable floating rate of return that would be earned on collateral posted in connection with such borrowed Shares, net of any costs or fees, and (b) any stock loan borrow fee that would be payable for such Shares, expressed as a fixed rate per annum.

**"Business Day"** means a day which is each of:

- (a) 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 dealing in foreign exchange and foreign currency deposits) in London, Paris (in respect of French Cleared Securities) and any Additional Business Centre;
- (b) in respect of Cleared Securities, a Clearing System Business Day for the Relevant Clearing System;
- (c) in relation to any sum payable in a 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 currency (if other than London and any Additional Business Centre);
- (d) in relation to any sum payable in euro, a TARGET Business Day; and
- (e) in respect of CREST Securities, a CREST Business Day.

**"Business Day Convention"** means any of the conventions specified in General Condition 4.4 (*Business Day Convention*).

**"C Rules"** means the requirements under US Treasury Regulation section 1.163-5(e)(2)(i)(C).

**"Calculation Amount"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*), General Condition 8 (*Automatic Redemption (Autocall)*) and General Condition 9 (*Final redemption*).

"**Call Notice Delivery Date**" has the meaning given to it in General Condition 10.2 (*Exercise*).

"**Cap**" has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

"**CDI**" means dematerialised depository interests issued, held, settled and transferred through CREST that represent interests in specified Securities.

"**Certificates**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**CGN Form**" has the meaning given to it in General Condition 1.1(j) (*Initial issue of Global Securities*).

"**Change in Law**" means that, on or after the Trade Date due to (a) the adoption or announcement of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange), or (b) the promulgation of or any change in or public announcement of the formal or informal interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it will, or there is a substantial likelihood that it will, become, or it has become, illegal for the Issuer and/or any of its Affiliates to hold, acquire, deal in or dispose of the Hedge Positions relating to the Securities or contracts in securities, options, futures, derivatives or foreign exchange relating to such Securities in the manner contemplated by the relevant hedging party on the Trade Date, or (ii) except in relation to Securities listed on the SeDex, the Issuer or any of its Affiliates will incur a materially increased cost in (x) performing their obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position) or (y) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Positions relating to the Securities or contracts in securities, options, futures, derivatives or foreign exchange relating to such Securities.

"**Cleared Securities**" means any Securities that are Global Securities held by a Common Depository, Common Safekeeper or custodian for, or registered in the name of, a nominee of a Relevant Clearing System (and each a "**Cleared Security**").

"**Clearing System Business Day**" means, in respect of a Relevant Clearing System, any day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Clearstream**" means Clearstream Banking, *société anonyme*, and any successor thereto.

"**Clearstream Rules**" means the Management Regulations of Clearstream and the Instructions to Participants of Clearstream, as may be from time to time amended, supplemented or modified.

"**CMS Rate Determination**" has the meaning given to it in General Condition 7.2(d)(ii) (*CMS Rate Determination*).

"**CMS Reference Rate**" means the rate determined in accordance with General Condition 7.2(d)(ii) (*CMS Rate Determination*).

"**Common Depository**" means, in relation to a particular Series, whether listed on any Relevant Stock Exchange or elsewhere, the common depository (who shall be outside the

United Kingdom and the United States (and the possessions of the United States)) appointed with respect to such Series.

"**Common Safekeeper**" has the meaning given to it in General Condition 1.1(j) (*Initial issue of Global Securities*).

"**Common Scheduled Trading Day**" means a day that is a Scheduled Trading Day in respect of each Underlying Asset.

"**Component**" means, in relation to an Index, any share, security or other component which comprises such Index.

"**Conditional Settlement Amount**" has the meaning given to it in General Condition 6.2 (*Conditions to settlement*).

"**Conditions**" has the meaning given to it in the opening italicised paragraph of the General Conditions.

"**Coupons**" has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

"**CREST**" means the system for the paperless settlement of trades and the holding of uncertificated securities operated by the Operator in accordance with the Uncertificated Regulations, as amended from time to time.

"**CREST Agent**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**CREST Business Day**" means any day on which CREST is open for the acceptance and execution of settlement instructions.

"**CREST Deed Poll**" means a global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated).

"**CREST Depository**" means CREST Depository Limited or any successor thereto.

"**CREST Requirements**" has the meaning given to it in General Condition 1.5(a)(ii) (*Transfers of CREST Securities*).

"**CREST Securities**" means Securities for which the Final Terms specifies the 'Form of Securities' to be 'CREST Securities held in uncertificated registered form' and that are issued and held in uncertificated registered form in accordance with the Uncertificated Regulations.

"**Currency**" means the currency or currencies specified in the Final Terms.

"**Currency Disruption Event**" means, with respect to a Series, the occurrence or official declaration of an event impacting one or more currencies that the Issuer determines would materially disrupt or impair its ability to meet its obligations in the Settlement Currency or otherwise settle, clear or hedge such Series.

"**Currency Replacement Event**" means the Settlement Currency ceases to exist and is replaced by a new currency in the relevant jurisdiction.

"**D Rules**" means the requirements under US Treasury Regulation section 1.163-5(c)(2)(i)(D).

"**Danish Business Day**" means, in respect of Danish Securities, a day which is a Clearing System Business Day and 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 dealing in foreign exchange and foreign currency deposits) in Denmark.

**"Danish Issue and Paying Agent"** means, in respect of any Series of Danish Securities, Skandinaviska Enskilda Banken AB (publ), a banking institution incorporated under the laws of Sweden whose registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden, acting through its Copenhagen branch SEB Merchant Banking, or such other issue and paying agent specified as a 'Paying Agent' in the Final Terms.

**"Danish Securities"** means Securities issued in uncertificated and dematerialised book-entry form and registered with VP Securities A/S in accordance with all applicable Danish laws, regulations and rules.

**"Danish VP Registration Order"** as the meaning given to it in General Condition 1.1(c) (*Form of Danish Securities*).

**"Day Count Fraction"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Day Count Fraction Conventions"** means, in respect of the calculation of an amount of interest on any Security for an Interest Calculation Period, if the Final Terms specifies the 'Day Count Fraction' to be:

- (a) 'Actual/Actual (ICMA)' or 'Act/Act (ICMA)', a fraction equal to 'number of days accrued/number of days in year', as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the **"ICMA Rule Book"**), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-US-dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Interest Calculation Period in respect of which payment is being made;
- (b) 'Actual/Actual' or 'Actual/Actual (ISDA)', the actual number of calendar days in the Interest Calculation Period divided by 365 (or, if any portion of that Interest Calculation Period falls in a leap year, the sum of (i) the actual number of calendar days in that portion of the Interest Calculation Period falling in a leap year divided by 366 and (ii) the actual number of calendar days in that portion of the Interest Calculation Period falling in a non-leap year divided by 365);
- (c) 'Actual/365 (Fixed)', the actual number of calendar days in the Interest Calculation Period divided by 365;
- (d) 'Actual/360', the actual number of calendar days in the Interest Calculation Period divided by 360;
- (e) '30/360', '360/360' or 'Bond Basis', the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

'Y<sub>1</sub>' is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

'Y<sub>2</sub>' is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'M<sub>1</sub>' is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

'M<sub>2</sub>' is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'D<sub>1</sub>' is the first calendar day, expressed as a number, of the Interest Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

'D<sub>2</sub>' is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) '30E/360' or 'Eurobond Basis', the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

'Y<sub>1</sub>' is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

'Y<sub>2</sub>' is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'M<sub>1</sub>' is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

'M<sub>2</sub>' is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'D<sub>1</sub>' is the first calendar day, expressed as a number, of the Interest Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

'D<sub>2</sub>' is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (g) '30E/360 (ISDA)', the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

'Y<sub>1</sub>' is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

'Y<sub>2</sub>' is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'M<sub>1</sub>' is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

'M<sub>2</sub>' is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

'D<sub>1</sub>' is the first calendar day, expressed as a number, of the Interest Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

'D<sub>2</sub>' is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless (i) that day is the last day of February but not the Scheduled Redemption Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**"Deed of Covenant"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Definitive Bearer Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Definitive Bearer Security"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Definitive Registered Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Definitive Registered Security"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Definitive Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Delisting"** means, in respect of any Shares, that the relevant Exchange announces that, pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately relisted, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**"Delivery Entitlement Instruction"** means, with respect to Securities which are to be physically settled by delivery of an Entitlement, a notice delivered by the relevant Holder in respect of such Entitlement in the form obtainable from any Paying Agent, in the case of Bearer Securities and French Securities, or from the Registrar or Transfer Agent, in the case of Registered Securities.

**"Depository"** means, where the Final Terms specifies that the 'Partial Lookthrough Depository Receipt Provisions' or the 'Full Lookthrough Depository Receipt Provisions' shall apply to a Share, the Share Company of the Shares or any successor issuer of the Shares from time to time.

**"Deposit Agreement"** means, in relation to the Shares, the agreements or other instruments constituting the Shares, as from time to time amended or supplemented in accordance with their terms.

**"Designated Maturity"** has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).

**"Determination Agent"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Determination Date"** has the meaning given to it in General Condition 11.1 (*Index Adjustment Events*).

**"Discontinued Reference Rate"** has the meaning given to it in General Condition 7.2 (*Floating*).

**"Disrupted Day"** means, in respect of an Underlying Asset:

- (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; and
- (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred.

**"Disrupted Reference Rate"** has the meaning given to it in General Condition 7.2 (*Floating*).

**"Disruption Cash Settlement Date"** means the fifth Relevant Settlement Day following the date of the notice of the relevant election to pay the Disruption Cash Settlement Price or such other date as may be specified in the relevant notice.

**"Disruption Cash Settlement Price"** means, in respect of each Security, an amount in the Settlement Currency equal to the *pro rata* proportion of the market value of such Security (which shall take into account, where some but not all of the Underlying Asset(s) comprising the Entitlement have been duly delivered pursuant to General Condition 6.1(a) (*Delivery of Entitlement*), the value of such Underlying Asset(s)). Such amount shall be determined by reference to such factors as the Determination Agent considers to be appropriate including, without limitation:

- (a) market prices or values for the Underlying Asset(s) comprising the Entitlement which have been duly delivered pursuant to General Condition 6.1(a) (*Delivery of Entitlement*) and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the relevant time;
- (b) the remaining life of the Securities had they remained outstanding to scheduled maturity;
- (c) the value at the relevant time of any minimum redemption or cancellation amount which would have been applicable had the Securities remained outstanding to scheduled maturity and/or any scheduled early redemption date;
- (d) internal pricing models; and
- (e) prices at which other market participants might bid for securities similar to the Securities,



provided that, where the Final Terms specifies 'Unwind Costs' to be 'Not Applicable', the Determination Agent shall not take into account deductions for any costs, charges, fees, accruals, losses and expenses, which are incurred by the Issuer or its Affiliates relating to the unwinding of any Hedge Positions and/or related funding arrangements, when determining such market value.

**"Distribution Compliance Period"** means the period that ends 40 calendar days after the completion of the distribution of each Series, as certified by the relevant Manager (in the case of a non-syndicated issue) or the relevant lead Manager (in the case of a syndicated issue, who shall notify the Managers when all Managers participating in that syndicated issue have so certified in respect of the Securities purchased by or through it).

**"Early Cash Redemption Date"** means the date specified as such in the notice given to Holders in accordance with General Condition 15 (*Adjustment or early redemption following an Additional Disruption Event*).

**"Early Cash Settlement Amount"** means, on any day and in relation to the relevant event leading to early redemption of the Securities:

- (a) if the Final Terms specifies 'Early Cash Settlement Amount' to be 'Par', an amount in the Settlement Currency equal to the outstanding nominal amount of a Security; or
- (b) if the Final Terms specifies 'Early Cash Settlement Amount' to be 'Market Value', an amount in the Settlement Currency equal to the market value of a Security following the event triggering the early redemption. Such amount shall be determined as soon as reasonably practicable following the event giving rise to the early redemption of the Securities and by reference to such factors as the Determination Agent considers to be appropriate including, without limitation:
  - (i) market prices or values for the Underlying Asset(s) and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the relevant time;
  - (ii) the remaining life of the Securities had they remained outstanding to scheduled maturity;
  - (iii) the value at the relevant time of any minimum redemption or cancellation amount which would have been applicable had the Securities remained outstanding to scheduled maturity and/or any scheduled early redemption date;
  - (iv) internal pricing models; and
  - (v) prices at which other market participants might bid for securities similar to the Securities,

provided that, if the Final Terms specifies 'Unwind Costs' to be 'Not Applicable', the Determination Agent shall not take into account deductions for any costs, charges, fees, accruals, losses, withholdings and expenses, which are or will be incurred by the Issuer or its Affiliates in connection with the unwinding of any Hedge Positions and/or related funding arrangements, when determining such market value.

**"Early Closure"** means:

- (a) except with respect to a Multi-exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or, in the case of an Index Linked Security, any relevant Exchange(s) relating to Components that comprise 20 per cent or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or any Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the

regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; and

- (b) with respect to any Multi-exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time, unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**"Early Redemption Notice"** has the meaning given to it in General Condition 10 (*Nominal Call Event*).

**"Early Redemption Notice Period Number"** means, in respect of a Series, ten or such other number specified as such in the Final Terms (which shall not be less than ten).

**"Entitlement"** means the Final Physical Redemption Entitlement (together with any Transfer Documentation relating thereto).

**"Entitlement Substitution Event"** has the meaning given to it in General Condition 6.1(c) (*Alternate Cash Amount*).

**"ETF"** means a fund, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement, which issues or creates shares that are listed and traded on an exchange.

**"EUR", "euro" and "€"** each means the lawful single currency of the member states of the European Union that have adopted and continue to retain the common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

**"EURIBOR"** means the Euro Interbank Offered Rate.

**"Euroclear"** means Euroclear Bank S.A./N.V or any successor thereto.

**"Euroclear Finland"** means Euroclear Finland Ltd, Urho KekkosenKatu 5 C, 00100 Helsinki, Finland.

**"Euroclear Finland Rules"** means the terms and conditions governing the use of Euroclear Finland and the operating procedures applicable to and/or issued by Euroclear Finland, as may be amended, supplemented or modified from time to time.

**"Euroclear France"** means Euroclear France S.A., 66 rue de la Victoire, 75009 Paris, France.

**"Euroclear France Rules"** means the terms and conditions governing the use of Euroclear France and the operating procedures of Euroclear France, as may be amended, supplemented or modified from time to time.

**"Euroclear Rules"** means the terms and conditions governing the use of Euroclear and the operating procedures of Euroclear, as may be amended, supplemented or modified from time to time.

**"Euroclear Sweden"** means Euroclear Sweden AB, the Swedish Central Securities Depository & Clearing Organisation, company registration number 556112-8074, PO Box 191, SE-103 97 Stockholm, Sweden.

**"Euroclear Sweden Rules"** means the terms and conditions governing the use of Euroclear Sweden and the operating procedures of Euroclear, as may be amended, supplemented or modified from time to time.

**"Euronext Paris"** means Euronext Paris S.A.

**"Eurozone"** means the region comprising member states of the European Union that have adopted the euro as the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

**"Event of Default"** means each of the events set out in General Condition 21 (*Events of Default*).

**"Exchange"** means:

- (a) in respect of an Index: (i) which is not a Multi-exchange Index, each exchange or quotation system specified as such for such Index in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange; and (ii) which is a Multi-exchange Index, the principal stock exchange(s) on which any Component of such Index is principally traded; and
- (b) in respect of a Share, each Exchange or quotation system specified as such for such Share in the Final Terms, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange.

**"Exchange Business Day"** means:

- (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time; and
- (b) with respect to a Multi-exchange Index, any Scheduled Trading Day on which: (i) the relevant Index Sponsor publishes the level of the relevant Index; and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Date"** means, in relation to a Temporary Global Security, the calendar day falling after the expiry of 40 calendar days after its issue date and, in relation to a Permanent Global Security, a calendar day falling not less than 60 calendar days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issue and Paying Agent is located and (if applicable) in the city in which the Relevant Clearing System is located.

**"Exchange Disruption"** means:

- (a) except with respect to a Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange (or on any relevant Exchange(s) relating to Components that comprise 20 per cent or more of the level of the relevant Index) or (ii) to effect transactions in, or obtain market values for, futures and options contracts relating to the Shares or Components of the relevant Index on any relevant Related Exchange; and

- (b) with respect to any Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component on the Exchange in respect of such Component; or (ii) futures or options contracts relating to the Index on the Related Exchange.

**"Exchange Event"** means in respect of (i) Cleared Securities, that the Issuer has been notified that any Relevant Clearing System has permanently ceased doing business and no successor clearing system is available, and (ii) Global Securities that are not Cleared Securities, that the Issuer has failed to make any payment of principal when due.

**"Exchange Rate"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Extraordinary Event"** means, in respect of a Share, each of Merger Event, Tender Offer, Nationalisation, Insolvency Filing, Insolvency, Delisting and Fund Disruption Event or that the Share is otherwise cancelled or an announcement has been made for it to be cancelled for whatever reason, as the case may be, (together the **"Extraordinary Events"**).

**"Extraordinary Market Disruption"** means, on or after the Trade Date, an extraordinary event or circumstance, including any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), a natural disaster, an act of war, strike, blockade, boycott or lockout or any other similar event or circumstance which the Issuer determines has prevented it from performing its obligations, in whole or in part, under the Securities.

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

**"Final Barrier"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Final Barrier Percentage"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Final Cash Settlement Amount"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Final Physical Redemption Entitlement"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Final Settlement Cut-off Date"** means the Scheduled Redemption Date, the Optional Cash Redemption Date, the Physical Delivery Date, the Early Cash Redemption Date or the Autocall Redemption Date, as applicable.

**"Final Terms"** means, with respect to a Series, the final terms specified as such for such Securities.

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

**"Final Valuation Price"** means, in respect of an Underlying Asset:

- (a) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-out Dates; or
- (b) if the Final Terms specifies 'Min Lookback-out' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates; or

- (c) if the Final Terms specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-out Dates;  
or
- (d) if none of items (a) to (c) applies, the Valuation Price of such Underlying Asset on the Final Valuation Date.

**"Finnish Issue and Paying Agent"** means, in respect of any Series of Finnish Securities, Skandinaviska Enskilda Banken AB (publ), a banking institution incorporated under the laws of Sweden whose registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden, acting through its Helsinki branch SEB Merchant Banking, or such other issue and paying agent specified as a 'Paying Agent' in the Final Terms.

**"Finnish Securities"** means Securities issued in uncertificated and dematerialised book-entry form and registered with Euroclear Finland and registered with Euroclear Finland Oy, the Finnish Central Securities Depository, in accordance with all applicable Finnish laws, regulations and rules.

**"FISA"** has the meaning given to it in General Condition 1.1(i) (*Form of Swiss Securities*).

**"Fixed Interest Determination Date"** has the meaning given to it in General Condition 7.1(d) (*Relevant defined terms*).

**"Fixed Interest Rate"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Floating Rate"** has the meaning given to it in General Condition 4.4(a) (*Business Day Convention*) and in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Floating Rate Determination"** has the meaning given to it in General Condition 7.2(d)(i) (*Floating Rate Determination*).

**"Floating Rate Disruption"** has the meaning given to it in General Condition 7.2 (*Floating*).

**"Following"** has the meaning given to it in General Condition 4.4(b) (*Business Day Convention*).

**"Foreign Ownership Event"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to hold, acquire, establish, re-establish, substitute or maintain any Hedge Positions, due to any foreign ownership restriction imposed by the issuer of and/or counterparty to such Hedge Positions, or any court, tribunal or regulatory authority having competent jurisdiction with respect to the ability of the Issuer and/or any of its Affiliates to hold, acquire, maintain or own such Hedge Positions.

**"French Cleared Securities"** means Securities issued in dematerialised bearer form (*au porteur*) or registered form (*au nominatif*) and deposited with Euroclear France S.A. as central depository.

**"French Notes"** has the meaning given to it in General Condition 1.1(f) (*Form of French Securities*).

**"French Securities"** means Securities in respect of which the Final Terms specifies the 'Governing law' to be 'French law'.

**"FSMA"** means the Financial Services and Markets Act 2000, as amended from time to time.

**"Fund Disruption Event"** means any of the following:

- (a) the relevant Shares are reclassified or the Share Company is acquired by, or aggregated into, another fund, depositary bank, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement whose mandate, risk profile and/or benchmarks are different from the mandate, risk profile and/or benchmark of the Share Company as stated as at the Trade Date;
- (b) there is a material change in the Share Company, the constitutional documents of the Share Company or the mandate, risk profile, investment guidelines or objectives or dealing terms of the Share Company as stated as at the Trade Date (including without limitation any change in the type of assets in which the relevant Share Company invests or the level of embedded leverage);
- (c) there is a material breach of the constitutional documents of the Share Company or the investment, borrowing or stock lending restrictions of the Share Company;
- (d) the director, trustee and/or investment manager of the Share Company, in accordance with the provisions of the constitutional documents of the Share Company, requires the Issuer to redeem or transfer such Shares held by the Issuer or its Affiliates;
- (e) the currency denomination of the Shares is amended in accordance with the constitutional documents of the Share Company;
- (f) any change in the regulatory or tax treatment applicable to the Share Company or the Shares, as applicable, which could have a negative effect on the Issuer or its Affiliates if it were the holder of such Shares;
- (g) the activities of the Share Company, its directors, the trustee and/or the investment manager of the Share Company or any service provider of the Share Company becomes subject to (i) any investigation, review, proceeding or litigation for reasons of any alleged wrongdoing, breach of any rule or regulation or other similar reason, or (ii) any disciplinary action is taken in respect of such Share Company, its directors, trustee and/or investment manager of the Share Company or service providers (including without limitation the suspension or removal of any requisite approval or licence), in each case by any governmental, legal, administrative or regulatory authority;
- (h) a material change in national, international, financial, political or economic conditions or foreign exchange rate or exchange controls;
- (i) a material change or prospective material change in the size, nature, management or frequency of trading of the Shares or any other characteristics of the Share Company;
- (j) the occurrence or existence of any event, circumstance or cause beyond the control of the Issuer that has had or would be expected to have a material adverse effect on (i) the Hedge Positions of the Issuer and/or its Affiliates or their ability to hedge their positions or (ii) the cost which the Issuer and/or its Affiliates incurs in hedging its position, in each case with respect to the Share Company;
- (k) a change in the operation, organisation or management of any Share Company (including without limitation any change to the services providers of the Share Company) which the Determination Agent considers to have a material effect on the Securities or on the Issuer (including the Issuer's hedging risk profile or ability to effectively hedge its liability under the Securities);
- (l) in relation to the events in paragraphs (a) to (f) (inclusive) above, there is an announcement by or on behalf of the Share Company or by the Exchange that such an event will occur; or

- (m) an illegality occurs or the relevant authorisation or licence is revoked in respect of the directors, the trustee and/or the investment manager of the Share Company and/or the Share Company.

**"Futures or Options Exchange"** means the relevant exchange in options or futures contracts on the relevant Share or Shares or the relevant Index or Indices, as the case may be.

**"FX Disruption Event"** means the occurrence of any of the following events:

- (a) *Currency Replacement Event*: A Currency Replacement Event;
- (b) *Dual Exchange Rate*: A relevant Exchange Rate splits into dual or multiple currency exchange rates;
- (c) *Illiquidity*: It is or becomes or is likely to become impossible or impracticable for the Issuer to obtain any Settlement Currency or obtain or use an Exchange Rate in an appropriate amount;
- (d) *Inconvertibility*: The occurrence of any event that makes it or is likely to make it impossible and/or impracticable for the Issuer to convert the Settlement Currency into another currency (or vice versa) through customary legal channels (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency);
- (e) *Non-Transferability*: The occurrence of any event in or affecting any relevant jurisdiction that makes it or is likely to make it impossible and/or impracticable for the Issuer to deliver any Settlement Currency into a relevant account; and/or
- (f) *Price Source Disruption*: A Price Source Disruption.

**"GBP", "sterling" and "£"** each means pounds sterling, the lawful currency of the United Kingdom.

**"General Meeting"** has the meaning given to it in General Condition 29.3 (*Modifications of French Notes*).

**"Global Bearer Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Global Bearer Security"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Global Registered Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Global Registered Security"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Global Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French*

*Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities*)).

"**Global Security**" has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*)).

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

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

"**Hedging Shares**" means the number of Shares or Components comprised in any Index that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

"**Helsinki Business Day**" means, in respect of Finnish Securities, a day which is a Clearing System Business Day and 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 dealing in foreign exchange and foreign currency deposits) in Finland.

"**Holder**" has the meaning given to it in General Condition 1.4 (*Title*).

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Series, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means that the Borrow Cost to borrow any Share or any component comprised in an Index has increased above the Initial Stock Loan Rate.

"**Index**" means an index (including, but not limited to, a proprietary index created by the Issuer or an associate of the Issuer) specified in the Final Terms and "**Indices**" shall be construed accordingly.

"**Index Adjustment Event**" has the meaning given to it in General Condition 11.1(b) (*Index Adjustment Events*).

"**Index Cancellation**" has the meaning given to it in General Condition 11.1(a) (*Index Adjustment Events*).

"**Index Disruption**" has the meaning given to it in General Condition 11.1(b) (*Index Adjustment Events*).



**"Index Linked Securities"** means Securities, payments in respect of which will be contingent on and/or calculated by reference to one or more Indices (each an **"Index Linked Security"**).

**"Index Modification"** has the meaning given to it in General Condition 11.1(a) (*Index Adjustment Events*).

**"Index Sponsor"** means, in relation to an Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to such Index.

**"Initial Price"** means, in respect of an Underlying Asset:

- (a) if the Final Terms specifies 'Averaging-in' to be 'Applicable', the arithmetic average of the Valuation Prices of such Underlying Asset on each of the Averaging-in Dates; or
- (b) if the Final Terms specifies 'Min Lookback-in' to be 'Applicable', the minimum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
- (c) if the Final Terms specifies 'Max Lookback-in' to be 'Applicable', the maximum Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
- (d) if the Final Terms specifies a price or level for such Underlying Asset, such price or level; or
- (e) if none of items (a) to (d) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.

**"Initial Stock Loan Rate"** means, if the Final Terms specifies 'Increased Cost of Stock Borrow' to be 'Applicable', in respect of a Share or a Component comprised in an Index, the initial stock loan rate specified in relation to such Share or Component in the Final Terms; or, if none is specified in the Final Terms, the Borrow Cost on the Trade Date for such Share or Component.

**"Initial Valuation Date"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*), General Condition 8 (*Automatic Redemption (Autocall)*) or General Condition 9 (*Final redemption*).

**"Insolvency"** means, by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, termination or winding-up of, or any analogous proceeding affecting, a Share Company, (a) all the Shares of that Share Company are required to be transferred to a trustee, liquidator or other similar official or (b) the holders of the Shares of that Share Company become legally prohibited from transferring them or (c) the Share Company is dissolved, terminated or ceases to exist, as the case may be.

**"Insolvency Filing"** means that a Share Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, or it has a resolution passed or an announcement published for its dissolution or termination, or it has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by a

creditor and such proceeding is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof.

**"Interest Barrier"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Barrier Percentage"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Calculation Period"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Commencement Date"** means the Issue Date or such other date as may be set out in the Final Terms.

**"Interest Observation Period"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Payment Condition"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Payment Date"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Interest Period End Date"** means each date specified in the Final Terms or, if none, each Interest Payment Date (after adjustment due to any applicable Business Day Convention), provided that if the Final Terms specifies that the Interest Period End Date is 'unadjusted', the Interest Period End Date will be each date specified as such (or, if none, each Interest Payment Date) disregarding any adjustment to the Interest Payment Date due to any applicable Business Day Convention.

**"Interest Valuation Date"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Intermediated Securities"** has the meaning given to it in General Condition 1.1(i) (*Form of Swiss Securities*).

**"Issue and Paying Agent"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

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

**"Issue Price"** means the price specified as such in the Final Terms.

**"Issuer"** means Barclays Bank PLC.

**"Issuer Option Exercise Period"** has the meaning given to it in General Condition 10.2 (*Exercise*).

**"Issuer Tax Event"** has the meaning given to it in General Condition 23 (*Taxation*).

**"Italian Securities"** means Securities that are offered to the public in Italy.

**"Knock-in Barrier Percentage"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Knock-in Barrier Period End Date"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Knock-in Barrier Period Start Date"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Knock-in Barrier Price"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Knock-out"** has the meaning given to it in General Condition 7.11(c) (*Relevant defined terms*).

**"Knock-out Barrier"** has the meaning given to it in General Condition 7.11(c) (*Relevant defined terms*).

**"Knock-out Barrier Percentage"** has the meaning given to it in General Condition 7.11(c) (*Relevant defined terms*).

**"LIBOR"** means the London Interbank Offered Rate.

**"Linear Interpolation"** "Linear Interpolation" means:

- (a) with respect to a short or long Interest Calculation Period, the straight-line interpolation by reference to two rates based on the Reference Rate, one of which will be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the affected Interest Calculation Period, and the other of which will be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of such Interest Calculation Period; and
- (b) with respect to a Disrupted Reference Rate or a Discontinued Reference Rate (as applicable), the straight-line interpolation by reference to two rates based on the Reference Rate, one of which will be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the Designated Maturity of the Disrupted Reference Rate or the Discontinued Reference Rate (as applicable), and the other of which will be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the Designated Maturity of the Disrupted Reference Rate or a Discontinued Reference Rate (as applicable).

**"Local Jurisdiction Taxes and Expenses"** means, in respect of each Security, all present, future or contingent Taxes, together with interest, additions to Taxes or penalties, which are (or may be) or were (or may have been) withheld or payable or otherwise incurred under the laws, regulations or administrative practices of the jurisdiction of any Share or any Component comprised in an Index (the **"Local Jurisdiction"**) or any other state (or political subdivision or authority thereof or therein) in respect of:

- (a) the issue, transfer, redemption, unwinding or enforcement of the Securities;
- (b) any payment (or delivery of Securities or other assets) to such Holder;
- (c) a person (not resident in the Local Jurisdiction) or any of its or its agent's Shares or any Component comprised in an Index or any rights, distributions or dividends appertaining to any such Share or any such Component (had such a person (or agent) purchased, owned, held, realised, sold or otherwise disposed of Shares or a Component comprised in an Index in such a number as the Determination Agent may determine to be appropriate as a hedge or related trading position in connection with the Securities); or
- (d) any of the Issuer's (or any Affiliates) other hedging arrangements in connection with the Securities.

**"London Stock Exchange"** means London Stock Exchange plc.

**"Lookback Dates"** means, if applicable, in respect of each Underlying Asset, each Lookback-in Date, or Lookback-out Date, as the case may be, in each case subject to adjustment in accordance with General Condition 13 (*Consequences of Disrupted Days*) (each a **"Lookback Date"**).

**"Lookback-in Dates"** has the meaning specified in General Condition 8 (*Automatic Redemption (Autocall)*), General Condition 9.1 (*Vanilla Barrier*), General Condition 9.2 (*European Barrier*), General Condition 9.3 (*American Barrier*), General Condition 9.4 (*Call*), General Condition 9.5 (*Bull-Bear – European Barrier*), General Condition 9.6 (*Bull-Bear – American Barrier*) and General Condition 9.7 (*Put Spread*).

**"Lookback-out Dates"** has the meaning specified in General Condition 9.1 (*Vanilla Barrier*), General Condition 9.2 (*European Barrier*), General Condition 9.3 (*American Barrier*), General Condition 9.4 (*Call*), General Condition 9.5 (*Bull-Bear – European Barrier*), General Condition 9.6 (*Bull-Bear – American Barrier*) and General Condition 9.7 (*Put Spread*).

**"Loss of Stock Borrow"** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share or any Components comprised in an Index in an amount equal to the Hedging Shares at a Borrow Cost equal to or less than the Maximum Stock Loan Rate.

**"Lower Barrier"** has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

**"Lower Barrier Percentage"** has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

**"Lower Strike Price"** has the meaning given to it in General Condition 9.7(e) (*Relevant defined terms*).

**"Lower Strike Price Percentage"** has the meaning given to it in General Condition 9.7(e) (*Relevant defined terms*).

**"Manager"** means the Issuer or Barclays Capital Inc., or such other entity as specified in the Final Terms.

**"Margin"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Market Disruption Event"** means, in respect of a Share or an Index:

- (a) except with respect to a Multi-exchange Index, the occurrence or existence of:
  - (i) a Trading Disruption, which the Determination Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time;
  - (ii) an Exchange Disruption, which the Determination Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time;
  - (iii) an Early Closure; or
  - (iv) any event, which the Determination Agent determines is material, which disrupts or impairs the ability of the Issuer or of any market participants to effect transactions in, or obtain market values for, futures, options or derivatives contracts relating to the relevant Underlying Asset (including any proprietary index created by the Issuer or an associate of the Issuer); or
- (b) with respect to a Multi-exchange Index the occurrence or existence, in respect of any Component, of:

- (i) a Trading Disruption in respect of such Component, which the Determination Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
  - (ii) an Exchange Disruption in respect of such Component, which the Determination Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
  - (iii) an Early Closure in respect of such Component; and
- (c) with respect to an Index, the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (i) a Trading Disruption; (ii) an Exchange Disruption, which, in either case, the Determination Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (iii) an Early Closure, in each case in respect of such futures or options contracts.

In addition, for the purposes of determining whether a Market Disruption Event exists in respect of an Index which is not a Multi-exchange Index at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security to (y) the overall level of such Index, in each case immediately before the Market Disruption Event occurred.

**"Master Agency Agreement"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Maximum Interest Rate"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

**"Maximum Stock Loan Rate"** means, in respect of a Share or a Component comprised in an Index, the rate specified in the Final Terms under 'Loss of Stock Borrow', or, if none is specified in the Final Terms, the Initial Stock Loan Rate.

**"Merger Event"** means, in respect of any relevant Shares, any:

- (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent or more of such Shares outstanding;
- (b) consolidation, amalgamation, merger or binding share exchange of the 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 results in a reclassification or change of less than 20 per cent of the relevant Shares outstanding);
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity for such Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent or more of such Shares (other than such Shares owned or controlled by the offeror); or
- (d) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding, but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively

representing less than 50 per cent of the outstanding Shares immediately following such event,

if, in each case, the date on which the Determination Agent determines that such event occurs is on or before, in the case of Securities settled by physical delivery of the Entitlement, the Physical Delivery Date or, in any other case, the Final Valuation Date in respect of the relevant Security.

"**Min**" has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

"**Minimum Interest Rate**" has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

"**Minimum Tradable Amount**" means the amount specified as such in the Final Terms, if applicable.

"**Modified Following**" has the meaning given to it in General Condition 4.4(c) (*Business Day Convention*).

"**Multi-exchange Index**" means any Index specified as such in the Final Terms.

"**n**" has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

"**N**" has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

"**Nationalisation**" means, in respect of any relevant Shares, that all the Shares or all the assets or substantially all the assets of the relevant Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"**Nearest**" has the meaning given to it in General Condition 4.4(d) (*Business Day Convention*).

"**NGN**" has the meaning given to it in General Condition 1.1(j) (*Initial issue of Global Securities*).

"**No Interest Event**" has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

"**Nominal Call Threshold Amount**" has the meaning given to it in General Condition 10.2 (*Exercise*).

"**Nominal Call Threshold Percentage**" has the meaning given to it in General Condition 10.2 (*Exercise*).

"**Norwegian Issue and Paying Agent**" means, in respect of any Series of Norwegian Securities, Skandinaviska Enskilda Banken AB (publ), a banking institution incorporated under the laws of Sweden whose registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden, acting through its Oslo branch SEB Merchant Banking, or such other issue and paying agent specified as a 'Paying Agent' in the Final Terms.

"**Norwegian Securities**" means Securities issued in uncertificated and dematerialised electronic book-entry form and registered with the Norwegian Central Securities Depository in accordance with all applicable Norwegian laws, regulations and rules.

"**Notes**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**NSS**" has the meaning given to it in General Condition 1.1(j) (*Initial issue of Global Securities*).

"**Number of Securities**" means the number specified in the Final Terms.

"**Observation Date**" has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*).

"**Operator**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Operator register of corporate securities**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Optional Cash Settlement Amount**" has the meaning given to it in General Condition 10.2 (*Exercise*).

"**participating security**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Participation**" has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

"**Paying Agents**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Payment Date**" means a day on which a payment is due in respect of the Securities.

"**Permanent Global Security**" has the meaning given to it in General Condition 1.2(a) (*Exchange of Global Securities (other than French Cleared Securities and French Securities)*).

"**Physical Delivery Date**" means, in relation to any Entitlement to be delivered, subject to compliance with the provisions of General Condition 6 (*Settlement*) in respect of any Security, the Scheduled Redemption Date.

"**Potential Adjustment Event**" means, in respect of any relevant Shares, any of the following or a declaration by the relevant Share Company of the terms of any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Shares (other than a Merger Event) or a free distribution or dividend of any such Shares to existing holders of the relevant Shares by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) additional Shares, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of dissolution, liquidation or termination of the Share Company equally or proportionately with such payments to holders of such Shares, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price;
- (c) an amount per Share which the Determination Agent determines should be characterised as an extraordinary dividend;
- (d) a call by the Share Company in respect of the relevant Shares that are not fully paid;

- (e) a repurchase by the 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;
- (f) in respect of the Share Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares,

subject to General Condition 20 (*Depository Receipt Provisions*), if applicable.

"**Preceding**" has the meaning given to it in General Condition 4.4(e) (*Business Day Convention*).

"**Price Source Disruption**" means it becomes impossible or impracticable to obtain an Exchange Rate on or in respect of any Rate Calculation Date (or, if different, the day on which rates for that Rate Calculation Date would, in the ordinary course, be published or announced by the relevant pricing source(s)).

"**Programme**" means the Global Structured Securities Programme as defined in, established by and contemplated in the Master Agency Agreement, as the same may be from time to time amended, supplemented or modified.

"**Rate Calculation Date**" means each day on which the Exchange Rate is due to be determined under the terms of the Securities.

"**Rate of Interest**" has the meaning given to it in General Condition 7.2(c)(ii) (*Determination of Rate of Interest*).

"**Receiving Bank**" has the meaning given to it in General Condition 5.7 (*Payments and Deliveries in respect of French Securities*).

"**Record**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Record Date**" means, in relation to a payment under a Registered Security, the 15th calendar day (whether or not such 15th calendar day is a Business Day) before the relevant due date for such payment, except that, with respect to Cleared Securities that are represented by a Global Registered Security, it shall be the Clearing System Business Day immediately prior to the due date for payment or delivery.

"**record of uncertificated corporate securities**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Redenomination Date**" means (in the case of interest-bearing Securities) any date for payment of interest under the Securities or (in the case of non-interest-bearing Securities) any date, in each case specified by the Issuer in the notice given to Holders which falls on or after the date on which the United Kingdom first participates in the third stage of European economic and monetary union.

"**Reference Banks**" has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).



**"Reference Date"** has the meaning given to it in General Condition 13.2 (*Averaging Dates and Lookback Dates*).

**"Reference Rate"** has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).

**"Reference Rate Discontinuance"** has the meaning given to it in General Condition 7.2 (*Floating*).

**"Register"** means, with respect to any Registered Securities, the register of holders of such Securities maintained by the applicable Registrar.

**"Registered Securities"** has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

**"Registrar"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Registration Agent"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Related Exchange"** means, subject to the below, in respect of an Underlying Asset, each exchange or quotation system specified as such for such Underlying Asset in the Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Underlying Asset has temporarily relocated (provided that the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Asset on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that, if the Final Terms specifies 'Related Exchange' to be 'All Exchanges', 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect on the overall market for futures or options contracts relating to such Underlying Asset.

**"Relevant Clearing System"** means, as appropriate, Euroclear, Clearstream, Euroclear France, SIS, Euroclear Finland, VP, VPS and/or Euroclear, as the case may be, and any other 'Relevant Clearing System' as specified in the Final Terms, through which interests in Securities are to be held and/or through an account at which such Securities are to be cleared.

**"Relevant Date"** means, in respect of any Security or Coupon, the date on which payment or delivery in respect of it first becomes due (or would have first become due if all conditions to settlement had been satisfied) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date five calendar days after that on which notice is duly given to the Holders that, upon further presentation of the Security or Coupon being made in accordance with these General Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Relevant Interbank Market"** has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).

**"Relevant Rules"** means the Clearstream Rules, the Euroclear Rules, the Euroclear France Rules, Euroclear Finland Rules, Euroclear Sweden Rules, VP Rules, VPS Rules, the SIS Rules and/or the terms and conditions and any procedures governing the use of such other Relevant Clearing System, as updated from time to time relating to a particular issue of Securities, as applicable.

"**Relevant Screen Page**" has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).

"**Relevant Screen Time**" has the meaning given to it in General Condition 7.2(e) (*Relevant defined terms*).

"**Relevant Settlement Day**" means a Clearing System Business Day and a Scheduled Trading Day.

"**Relevant Stock Exchange**" means, in respect of any Series, the stock exchange upon which such Securities are listed, being the principal stock exchange of Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden or the United Kingdom, as specified in the Final Terms.

"**relevant system**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**Relevant UK Resolution Authority**" means any authority with the ability to exercise a UK Bail-In Power. As at the date of this Base Prospectus the Relevant UK Resolution Authority is the Bank of England.

"**Renouncement Notice**" means a notice to be completed in the form which will be made available at the registered office of the Issuer and at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and delivered as provided in General Condition 9(c) (*Certain considerations relating to Securities listed on the regulated market of Borsa Italiana S.p.A.*), which allows the relevant Holder to renounce redemption of the Securities, in accordance with the rules of Borsa Italiana S.p.A.

"**Renouncement Notice Cut-off Time**" means, in respect of a Series, the time on a designated date, specified as the Renouncement Notice Cut-off Time in the Final Terms, which shall be the latest time at which a Holder can deliver a duly completed Renouncement Notice in accordance with the General Conditions.

"**Replacement Security**" has the meaning given to it in General Condition 12.3(b)(i) (*Substitution of Shares*).

"**Representative**" has the meaning given to it in General Condition 29.3 (*Modifications of French Notes*).

"**Scheduled Closing Time**" means, in respect of any Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours or other trading outside regular trading session hours.

"**Scheduled Redemption Date**" means, in respect of any Series, the scheduled date of redemption of such Securities as specified in the Final Terms, subject to adjustment in accordance with the Business Day Convention.

"**Scheduled Trading Day**" means, in respect of any Underlying Asset (a) that is not a Multi-exchange Index, any day on which each Exchange and each Related Exchange in respect of such Underlying Asset are scheduled to be open for trading for their respective regular trading sessions or (b) that is a Multi-exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Multi-exchange Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Security**" or "**Securities**" means any Notes or Certificates which may from time to time be issued pursuant to the Programme in accordance with the terms of this Base Prospectus. Unless the context otherwise requires, any reference to 'Security' shall be deemed to refer to a Note having a nominal amount equal to the relevant Specified Denomination or to a single Certificate.

"**Security Settlement Cut-off Date**" has the meaning given to it in General Condition 6.2 (*Conditions to settlement*).

"**Securities Trading Act**" has the meaning given to it in General Condition 1.1(c) (*Form of Danish Securities*).

"**Series**" means the Securities of each original issue together with the Securities of any further issues expressed to be consolidated to form a single Series with the Securities of an original issue.

"**Settlement Amount**" means the Final Cash Settlement Amount, Adjustment Event Amount, Optional Cash Settlement Amount, Alternate Cash Amount, Early Cash Settlement Amount, Autocall Cash Settlement Amount or Disruption Cash Settlement Price, as applicable.

"**Settlement Currency**" means the currency specified as such in the Final Terms.

"**Settlement Disruption Event**" means, in the determination of the Determination Agent, that an event beyond the control of the Issuer has occurred as a result of which the Issuer cannot make or procure delivery of the relevant Underlying Asset(s).

"**Settlement Expenses**" means, in respect of any Security or Securities, if the Final Terms specifies 'Settlement Expenses' to be 'Applicable', any costs, fees and expenses or other amounts (other than in relation to Taxes) payable by a Holder per Calculation Amount on or in respect of or in connection with the redemption or settlement of such Security or Securities by way of delivery of any Entitlement.

"**Settlement Number**" means, in respect of a Series, 180.

"**Share**" means, in respect of a Series, a share (including a share of an ETF), a unit, a depositary receipt, an interest or an equity unit, in each case as specified in the Final Terms.

"**Share Company**" means, in respect of a Share, the company, the depositary bank, the fund, the pooled investment vehicle, the collective investment scheme, the partnership, the trust or other legal arrangement that has issued or given rise to the relevant Share.

"**Share Linked Securities**" means Securities in respect of which the payments or deliveries will be contingent on and/or calculated by reference to one or more Shares (each a "**Share Linked Security**").

"**SIS**" has the meaning given to it in General Condition 1.1(i) (*Form of Swiss Securities*).

"**SIS Rules**" means the rules and regulations, manuals and operating procedures as well as any agreements between the Issuer and SIS governing the use of SIS, as may be amended, supplemented or modified from time to time.

"**Specified Currency**" means the currency or currencies specified in the Final Terms, if applicable.

"**Specified Denomination**" means the denomination specified in the Final Terms.

"**Specified Product Value**" has the meaning given to it in General Condition 18 (*Indicative amounts*).

"**Stockholm Business Day**" means, in respect of Swedish Securities, a day which is a Clearing System Business Day and 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 dealing in foreign exchange and foreign currency deposits) in Sweden.

"**Strike Price**" has the meaning given to it in General Condition 9 (*Final redemption*).

"**Strike Price Percentage**" has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

"**Substitute Price**" has the meaning given to it in General Condition 12.3(a)(iii) (*Substitution of Shares*).

"**Substitute Shares**" has the meaning given to it in General Condition 12.3(a)(i) (*Substitution of Shares*).

"**Successor**" means, in relation to any Agent or such other or further person as may from time to time be appointed by the Issuer in respect of Securities, the entity identified as the successor to such Agent or other person by the Issuer. Notice of any Successor identified shall be given to Holders as soon as reasonably practicable after such identification.

"**Successor Index**" has the meaning given to it in General Condition 11.2 (*Successor Index Sponsor or Substitution of Index with substantially similar calculation*).

"**Successor Index Sponsor**" has the meaning given to it in General Condition 11.2 (*Successor Index Sponsor or Substitution of Index with substantially similar calculation*).

"**Swedish Issue and Paying Agent**" means, in respect of any Series of Swedish Securities, Svenska Handelsbanken AB (publ), a banking institution incorporated under the laws of Sweden whose registered office is at Kungsträdgårdsgatan 2, SE-106 70 Stockholm, Sweden, or such other issue and paying agent specified as a 'Paying Agent' in the Final Terms.

"**Swedish Securities**" means Securities issued in uncertificated and dematerialised electronic book-entry form and registered with Euroclear Sweden AB, the Swedish Central Securities Depository in accordance with all applicable Swedish laws, regulations and rules. Swedish Securities will not be issued in definitive form.

"**Swiss Cleared Securities**" has the meaning given to it in General Condition 1.1(i) (*Form of Swiss Securities*).

"**Swiss Issue and Paying Agent**" means, in respect of any Series of Swiss Securities, BNP Paribas Securities Services, a *société en commandite par actions* incorporated under the laws of France (R.C.S. Paris no. 552 108 011), whose registered office is at 3, rue d'Antin, 75002 Paris, France, acting through its Zurich branch located at Selnaustrasse 16, 8002 Zurich, Switzerland and registered under the number CH-020.9.001.593-5, or such other issue and paying agent specified as an 'additional Paying Agent' in the Final Terms.

"**Swiss Securities**" means Securities in respect of which the Final Terms specifies the 'Governing law' to be 'Swiss law' (each a "**Swiss Security**").

"**T**" has the meaning given to it in General Condition 7.3(c) (*Relevant defined terms*).

"**Talons**" has the meaning given to it in General Condition 1.1(a) (*Form of Securities (other than CREST Securities, Danish Securities, Finnish Securities, French Cleared Securities, French Securities, Norwegian Securities, Swedish Securities and Swiss Securities)*).

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

"**TARGET System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) (or, if such system ceases to be operative, such other system (if any) determined by the Determination Agent to be a suitable replacement).

"**Taxes**" means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

"**TEFRA**" means the US Tax Equity and Fiscal Responsibility Act of 1982.

"**Temporary Global Security**" has the meaning given to it in General Condition 1.2(a) (*Exchange of Global Securities (other than French Cleared Securities and French Securities)*).

"**Tender Offer**" means, in respect of a Share, 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 shares of the Share Company, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained.

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

"**Traded Price**" has the meaning given to it in General Condition 13.1(a)(i) (*Valuation Dates*).

"**Trading Disruption**" means:

- (a) except with respect to a Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the relevant Share or, in the case of an Index Linked Security, on any relevant Exchange(s) relating to any Components that comprise 20 per cent or more of the level of the relevant Index or (ii) in futures or options contracts relating to the relevant Share or the relevant Index on any relevant Related Exchange; and
- (b) with respect to any Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component on the relevant Exchange in respect of such Component or (ii) in futures or options contracts relating to the Index (or any Component thereof) on the Related Exchange.

For the avoidance of doubt, the following events shall be deemed to be a suspension or limitation of trading for the purposes of a Trading Disruption: (i) a price change exceeding limits set by the relevant Exchange; (ii) an imbalance of orders; or (iii) a disparity in bid prices and ask prices.

"**Tranche**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Transfer Agents"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Transfer Documentation"** means, for each Series, such documentation as is generally acceptable for settlement of the transfer of the relevant Underlying Asset(s) on any Related Exchange or through the Relevant Clearing System, including, without limitation, stock notes and/or stock transfer forms in the case of settlement on the London Stock Exchange.

**"Trigger Event"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"UK Bail-In Power"** means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or Barclays PLC or any of its subsidiaries, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of 15 May 2014, and/or within the context of a UK resolution regime under the UK Banking Act 2009, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the Issuer or any other person.

**"Uncertificated Regulations"** has the meaning given to it in General Condition 1.1(b) (*Form of CREST Securities*).

**"Underlying Asset"** means, in relation to a Series, as appropriate, each Index or Share specified as such in the Final Terms.

**"Underlying Asset Currency"** means, in respect of an Underlying Asset, the underlying asset currency specified as such in the Final Terms.

**"Underlying Entitlement"** has the meaning given to it in General Condition 9.1 (*Vanilla Barrier*), General Condition 9.2 (*European Barrier*), General Condition 9.3 (*American Barrier*), General Condition 9.4 (*Call*), General Condition 9.5 (*Bull-Bear – European Barrier*), General Condition 9.6 (*Bull-Bear – American Barrier*) and General Condition 9.7 (*Put Spread*).

**"Underlying Securities"** has the meaning given to it in General Condition 1.4(c) (*Title to CREST Depository Interests*).

**"Underlying Share"** means the share or other security which is the subject of the Deposit Agreement.

**"Underlying Share Company"** means the issuer of the Underlying Share.

**"Upper Barrier"** has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

**"Upper Barrier Percentage"** has the meaning given to it in General Condition 7.10(c) (*Relevant defined terms*).

**"USD", "US\$", "\$" and "US Dollars"** each means United States dollars.

**"Valid Date"** has the meaning given to it in General Condition 13.2(a)(iii) (*Averaging Dates and Lookback Dates*).

**"Valuation Date"** means each Initial Valuation Date, Interest Valuation Date, Autocall Valuation Date, Observation Date and the Final Valuation Date in each case subject to adjustment in accordance with General Condition 13 (*Consequences of Disrupted Days*).

**"Valuation Price"** has the meaning given to it in the relevant sub-paragraph of General Condition 7 (*Interest*), General Condition 8.3 (*Relevant defined terms*) and in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Valuation Time"** means, in respect of an Underlying Asset:

- (a) if the Final Terms does not specify the 'Underlying Asset' to be a 'Multi-exchange Index' (i) for the purposes of determining whether a Market Disruption Event has occurred the time specified as such in the Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange in relation to each Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time and (ii) in all other circumstances the time at which the official closing level of the relevant Index is calculated and published by the relevant Index Sponsor or the official closing price of the relevant Share is published by the relevant Exchange (as applicable);
- (b) if the Final Terms specifies the 'Underlying Asset' to be a 'Multi-exchange Index' (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (B) in respect of any options contracts or future contracts on the relevant Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the relevant Index is calculated and published by the relevant Index Sponsor.

**"VP"** means the Danish securities centre, VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Copenhagen S, Denmark.

**"VP Rules"** means the terms and conditions governing the use of VP, as may be amended, supplemented or modified from time to time.

**"VPS"** means Verdipapirsentralen ASA, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway.

**"VPS Register"** means the register opened in the VPS System for Securities issued by the Issuer.

**"VPS Rules"** means the Norwegian Securities Registration Act 2002-07-05 no. 64 and the Regulation 2003-05-21 no. 620 on information to be registered in the Securities Register and the rules and regulations and terms and conditions governing the use of the VPS as from time to time amended, supplemented or modified.

**"VPS System"** means the technical system at VPS for the registration of securities and the clearing and settlement of securities transactions.

**"Worst Performing Underlying Asset"** has the meaning given to it in the relevant sub-paragraph of General Condition 9 (*Final redemption*).

**"Y"** has the meaning given to it in General Condition 7.5(d) (*Relevant defined terms*).

### 35.2 Interpretation

- (a) Capitalised terms used but not defined in these General Conditions will have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Securities of the relevant Series;

- (b) Words importing the plural shall include the singular and vice versa, unless the context requires otherwise;
- (c) A reference to a 'person' in the Conditions includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (d) A reference in the Conditions to a provision of law is a reference to that provision as amended or re-enacted; and
- (e) References in the Conditions to a company or entity shall be deemed to include a reference to any successor or replacement thereto.



## FORM OF FINAL TERMS

The Final Terms for each Series will include such of the following information as is applicable with respect to such Securities.

### Final Terms



**BARCLAYS BANK PLC**

*(Incorporated with limited liability in England and Wales)*

**[Up to ][●] Securities due [●] pursuant to the Global Structured Securities Programme [(to be consolidated and to form a single series with the [●] Securities due [●], and issued on [●]), the [●] Securities due [●], and issued on [●]] [and the [●] Securities due [●], and issued on [●]] pursuant to the Global Structured Securities Programme (the Tranche [●] Securities [and Tranche [●] Securities))]**

**Issue Price: [●] per cent**

This document constitutes the final terms of the Securities (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "**Issuer**"). These Final Terms are supplemental to and should be read in conjunction with the GSSP Base Prospectus 2 dated 5 June 2015[, as supplemented on [●]], which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the individual issue of the Securities is annexed to these Final Terms.

The Base Prospectus, and any supplements thereto, are available for viewing at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London, and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in the Final Terms shall bear the same meanings when used herein.

**BARCLAYS**

**Final Terms dated [●]**

**PART A – CONTRACTUAL TERMS**

1. (a) Series number: [●]
- (b) Tranche number: [●]
- [The Securities shall be consolidated and form a single series with the Tranche [●] Securities[, the Tranche [●] Securities] [and the Tranche [●] Securities] but shall not be fungible with the Tranche [●] Securities [, the Tranche [●] Securities] [and the Tranche [●] Securities] until such time as the clearing systems recognise the Securities to be fungible with the Tranche [●] Securities[, the Tranche [●] Securities] [and the Tranche [●] Securities].]
2. Settlement Currency: [●]
3. Securities: [Notes] [Certificates]
4. Notes: [Not Applicable][Applicable]
- (a) [Aggregate Nominal Amount as at the Issue Date:
- (i) Tranche: [Up to] [●]
- (ii) Series: [Up to] [●]
- (b) [Specified Denomination:] [[●]
- [●] and integral multiples of [●]] in excess thereof [up to and including [●].] [Notes will not be issued in definitive form with a Specified Denomination above [●].]
- (c) [Minimum Tradable Amount: [●]]
5. Certificates: [Not Applicable][Applicable]
- (a) [Number of Securities: [[Up to] [●]]
- [Up to authorised number of Securities: [●]]
- [Initial issuance number of Securities as at the Issue Date: [●]]
- (i) Tranche: [Up to] [●]
- (ii) Series: [Up to] [●]
- (b) [Minimum Tradable Amount:] [●] [Not Applicable]]
6. Calculation Amount: [●]
7. Issue Price: [[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]].][[●] per Security.]
- [The Issue Price includes a [commission

element][fee] payable by the Issuer to the [Initial] Authorised Offeror which will be no more than [●] % of the Issue Price [per annum][ (i.e. [●] % of the Issue Price in total)] [(which, for [●] invested, amounts to [●])] and relates solely to the [initial design, arrangement and manufacture][custody] of the Securities by the [Initial] Authorised Offeror. [Investors in the Securities intending to invest through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.]

8. Issue Date: [●]
9. Scheduled Redemption Date: [●]
10. Underlying Performance Type: [Single Asset][Worst-of]  
 [Initial Valuation Date: [Individual Pricing]  
 [Common Pricing]]

***Provisions relating to interest (if any) payable***

11. Interest Type: [Fixed]  
 [Floating]  
 [Snowball]  
 [Phoenix without Memory]  
 [Phoenix with Memory]  
 [Phoenix One Touch – Daily]  
 [Phoenix One Touch – Continuous]  
 [Phoenix No Touch – Daily]  
 [Phoenix No Touch – Continuous]  
 [Range Accrual]  
 [Knock-out]
12. (a) Fixed Interest Type: [Per Annum][Fixed Amount][Not Applicable]  
 (b) Fixed Interest Rate: [●][per annum][Not applicable]  
 (c) CMS Rate Determination: [Not Applicable][Applicable]  
 (i) Specified Swap Rate: [●]  
 (ii) Reference Currency: [●]  
 (iii) Designated Maturity: [●]  
 (iv) Relevant Screen Page: [●]

- (v) Relevant Screen Time: [●]
- (d) Floating Rate Determination: [Not Applicable][Applicable]
- (i) Arithmetic Mean: [Not Applicable][Applicable]
- (ii) Offered Quotation: [Not Applicable][Applicable]
- (iii) Designated Maturity: [Up to] [●][Month[s]] [Year[s]] [Not Applicable]
- (iv) Reference Rate: [●][LIBOR] [EURIBOR] [EONIA]
- (v) Relevant Interbank Market: [●]
- (vi) Relevant Screen Page: [Reuters Screen LIBOR01 Page]  
[Reuters Screen EURIBOR01 Page]  
[●]
- (vii) Relevant Screen Time: [●]
- (e) Bank of England Base Rate Determination: [Not Applicable][Applicable]
- (i) [Designated Maturity: [●]
- (f) Margin: [Plus/Minus][●][Not Applicable]
- (g) Minimum/Maximum Interest Rate: [Not Applicable][Applicable]
- (i) [Minimum Interest Rate: [●]% [per annum]  
[Not Applicable]
- (ii) Maximum Interest Rate: [●]% [per annum]  
[Not Applicable]
- (h) Fixed Interest Determination Date(s): [●]  
[Not Applicable]
- (i) Floating Interest Determination Date(s): [●]  
[Not Applicable]
- (j) Interest Valuation Date(s): [●] [in each year]  
[The dates set out in Table [●] below in the column entitled 'Interest Valuation Date[s]'.]  
[Not Applicable]
- (k) Interest Payment Date(s): [●] [in each year]  
[The dates set out in Table [●] below in the column entitled 'Interest Payment Date'.]  
[Actual Redemption Date]

- (l) T: [●]  
 [The numbers set out in Table [●] below in the column entitled 'T'.]  
 [Not Applicable]
- (m) Observation Date(s): [●] [Each Common Scheduled Trading Day]  
 [Not Applicable]
- (n) Interest Barrier Percentage: [●]  
 [The percentages set out in Table [●] below in the column entitled 'Interest Barrier Percentage'.]  
 [Not Applicable]
- (o) Lower Barrier Percentage: [●]  
 [The percentages set out in Table [●] below in the column entitled 'Lower Barrier Percentage'.]  
 [Not Applicable]
- (p) Upper Barrier: [Not Applicable][Applicable]
- (q) [Upper Barrier Percentage: [●]  
 [The percentages set out in Table [●] below in the column entitled 'Upper Barrier Percentage'.]]
- (r) Knock-out Barrier Percentage: [●]  
 [Not Applicable]
- (s) Day Count Fraction: [Actual/Actual (ICMA)]  
 [Act/Act (ICMA)]  
 [Actual/Actual]  
 [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/360]  
 [30/360]  
 [360/360]  
 [Bond Basis]  
 [30E/360]  
 [Eurobond Basis]

- [30E/360 (ISDA)]
- [Not Applicable]
- (t) Interest Period End Dates: [●] [(unadjusted)]
- [Not Applicable]
- (u) Interest Commencement Date: [Issue Date]
- [●]
- [Not Applicable]
- (v) Linear Interpolation: [Not Applicable][Applicable]
- [Interest Calculation Period[s]: [●]]
- [(w) Valuation Time: [●]]
- [Table [●]]
- |                              |                                   |      |                                   |                                |                                |
|------------------------------|-----------------------------------|------|-----------------------------------|--------------------------------|--------------------------------|
| Interest<br>Payment<br>Date: | Interest<br>Valuation<br>Date[s]: | [T:] | [Interest Barrier<br>Percentage:] | [Lower Barrier<br>Percentage:] | [Upper Barrier<br>Percentage:] |
| [●]                          | [●]                               | [●]  | [●]                               | [●]                            | [●]                            |

***Provisions relating to Automatic Redemption (Autocall)***

13. Automatic Redemption (Autocall): [Applicable][Not Applicable]
14. (a) Autocall Barrier Percentage: [●] [The percentages set out in Table [●] below in the column entitled 'Autocall Barrier Percentage'.]
- (b) Autocall Valuation Date(s): [●] [Each date set out in Table [●] below in the column entitled 'Autocall Valuation Date'.]
- (c) Autocall Redemption Date(s): [●] [Each date set out in Table [●] below in the column entitled 'Autocall Redemption Date'.]
- [(d) Valuation Time: [●]]
- [Table [●]]
- |                          |                              |                           |
|--------------------------|------------------------------|---------------------------|
| Autocall Valuation Date: | Autocall Barrier Percentage: | Autocall Redemption Date: |
| [●]                      | [●]                          | [●]                       |

***Provisions relating to Final Redemption***

15. (a) Redemption Type: [Vanilla Barrier]
- Vanilla Barrier Type: [Autocall][Reverse Convertible]
- [European Barrier]
- [American Barrier]
- American Barrier Type: [Autocall][Reverse

- Convertible]]
- [Call]
- [Bull-Bear – European Barrier]
- [Bull-Bear – American Barrier]
- [Put Spread]
- (b) Settlement Method: [Cash]
- [Cash or Physical]
- (c) Trigger Event Type: [Not Applicable][Daily][Continuous]
- (d) Final Barrier Percentage: [●]%
- [Not Applicable]
- (e) Strike Price Percentage: [●]%
- [Not Applicable]
- (f) Knock-in Barrier Percentage: [●]%
- [Not Applicable]
- (g) Knock-in Barrier Period Start Date: [●]
- [Not Applicable]
- (h) Knock-in Barrier Period End Date: [●]
- [Not Applicable]
- (i) Lower Strike Price Percentage: [●]%
- [Not Applicable]
- (j) Participation: [●] [Not Applicable]
- (k) Cap: [Applicable ([●]%) [Not Applicable]
- (l) Valuation Time: [●]

***Provisions relating to Nominal Call Event***

16. Nominal Call Event: [Not Applicable][Applicable]
- (a) Nominal Call Threshold Percentage: [●][Not Applicable]

***Provisions relating to the Underlying Asset(s)***

17. Underlying Asset[s]:
- (a) Share[s]: [●]
- [Not Applicable]
- [[Full][Partial] Lookthrough Depository Receipt Provisions: Applicable]

	[The Shares set out in Table [●] below in the column entitled 'Share'.]
(i) Exchange[s]:	[●] [The Exchanges set out in Table [●] below in the column entitled 'Exchange'.]
(ii) Related Exchange[s]:	[●] [The Related Exchanges set out in Table [●] below in the column entitled 'Related Exchange'.]
(iii) Underlying Asset [Currency][Currencies]:	[●] [The Underlying Asset Currencies set out in Table [●] below in the column entitled 'Underlying Asset Currency'.]
(iv) Bloomberg Screen:	[●] [The Bloomberg Screens set out in Table [●] below in the column entitled 'Bloomberg Screen'.]
(v) Reuters Screen Page:	[●] [The Reuters Screen Pages set out in Table [●] below in the column entitled 'Reuters Screen Page'.]
(vi) Underlying Asset ISIN[s]:	[●] [The Underlying Asset ISINs set out in Table [●] below in the column entitled 'Underlying Asset ISIN'.]
(vii) Substitution of Shares:	[Substitution of Shares – Standard] [Substitution of Shares – ETF underlying] [Not Applicable]
(viii) Entitlement Substitution:	[Not Applicable][Applicable]]
(b) [Index][Indices]:	[●][The S&P 500 <sup>®</sup> Index] [The EURO STOXX 50 <sup>®</sup> Index] [The FTSE <sup>™</sup> 100 Index] [Not Applicable] [The Indices set out in Table [●] below in the column entitled 'Index'.]
(i) Exchange[s]:	[●] [Each of the New York Stock Exchange and the NASDAQ Stock Market LLC] [Multi-exchange Index] [London Stock Exchange] [The Exchanges set out in Table [●] below in the column entitled 'Exchange'.]
(ii) Related Exchange[s]:	[●] [All Exchanges] [The Related Exchanges set out in Table [●]



below in the column entitled 'Related Exchange'.]

- (iii) Underlying Asset  
[Currency][Currencies]: [●]  
[The Underlying Asset Currencies set out in Table [●] below in the column entitled 'Underlying Asset Currency'.]
- (iv) Bloomberg Screen: [●][SPX <Index>] [SX5E <Index>] [UKX <Index>]  
[The Bloomberg Screens set out in Table [●] below in the column entitled 'Bloomberg Screen'.]
- (v) Reuters Screen Page: [●] [.SPX] [.STOXX50E] [.FTSE]  
[The Reuters Screen Pages set out in Table [●] below in the column entitled 'Reuters Screen Page'.]
- (vi) Index Sponsor[s]: [●][S&P Dow Jones Indices LLC] [STOXX Limited] [FTSE International Limited]  
[The Index Sponsors set out in Table [●] below in the column entitled 'Index Sponsor'.]

[Table [●]]

[Share][or][Index]:	[Exchange:]	[Related Exchange:]	[Bloomberg Screen:]	[Reuters Screen Page:]	[Underlying Asset Currency:]
[●]	[●]	[●]	[●]	[●]	[●]
[S&P 500 <sup>®</sup> Index]	[Each of the New York Stock Exchange and the NASDAQ Stock Market LLC]	[All Exchanges]	[SPX <Index>]	[.SPX]	[●]
[EURO STOXX 50 <sup>®</sup> Index]	[Multi-exchange Index]	[All Exchanges]	[SX5E <Index>]	[.STOXX 50E]	[●]
[FTSE <sup>™</sup> 100 Index]	[London Stock Exchange]	[All Exchanges]	[UKX <Index>]	[.FTSE]	[●]
[Underlying Asset ISIN:]	[Index Sponsor:]	[Full Lookthrough Depository Receipt Provisions]	[Partial Lookthrough Depository Receipt Provisions]		
[●]	[●]	[Not Applicable][Applicable]	[Not Applicable][Applicable]		
[US78378X10]	[S&P Dow Jones]				

- 72] Indices  
LLC]
- [EU00096581 [STOXX  
45] Limited]
- [GB00013835 [FTSE  
45] International  
Limited]]
18. Initial Price[s]: [●] [The Valuation Price[s] of the Underlying Asset[s] on the Initial Valuation Date for such Underlying Asset]
- (a) Averaging-in: [Not Applicable][Applicable]  
[Averaging-in Dates: [●]]
- (b) Min Lookback-in: [Not Applicable][Applicable]  
[Lookback-in Dates: [●]]
- (c) Max Lookback-in: [Not Applicable][Applicable]  
[Lookback-in Dates: [●]]
- (d) Initial Valuation Date[s]: [●] [The date set out in the column entitled 'Initial Valuation Date' in the table below.
- |                   |                         |
|-------------------|-------------------------|
| Underlying Asset: | Initial Valuation Date: |
| [●]               | [●]                     |
19. Final Valuation Price[s]: [The Valuation Price[s] of the Underlying Asset[s] on the Final Valuation Date.]
- (a) Averaging-out: [Not Applicable][Applicable]  
[Averaging-out Dates: [●]]
- (b) Min Lookback-out: [Not Applicable][Applicable]  
[Lookback-out Dates: [●]]
- (c) Max Lookback-out: [Not Applicable][Applicable]  
[Lookback-out Dates: [●]]
- (d) Final Valuation Date: [●]
- Provisions relating to disruption events and taxes and expenses***
20. Consequences of a Disrupted Day (in respect of an Averaging Date or Lookback Date): [Not Applicable][Applicable]
- (a) [Omission: [Not Applicable][Applicable]
- (b) Postponement: [Not Applicable][Applicable]
- (c) Modified Postponement: [Not Applicable][ Applicable]]

21. Additional Disruption Event:
- (a) Change in Law: [Applicable as per General Condition 35.1 (Definitions)][Not Applicable]
  - (b) Currency Disruption Event: [Applicable as per General Condition 35.1 (Definitions)][Not Applicable]
  - (c) Issuer Tax Event: [Applicable as per General Condition 35.1 (Definitions)][Not Applicable]
  - (d) Extraordinary Market Disruption: [Applicable as per General Condition 35.1 (Definitions)][Not Applicable]
  - (e) Hedging Disruption: [Applicable as per General Condition 35.1 (Definitions)][Not Applicable]
  - (f) Increased Cost of Hedging: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]
  - (g) Affected Jurisdiction Hedging Disruption: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]  
Affected Jurisdiction: [●]
  - (h) Affected Jurisdiction Increased Cost of Hedging: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]  
[Affected Jurisdiction: [●]]
  - (i) Increased Cost of Stock Borrow: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]  
[Initial Stock Loan Rate: [●]]
  - (j) Loss of Stock Borrow: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]  
[Maximum Stock Loan Rate: [●]][Not Applicable]
  - (k) Foreign Ownership Event: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]
  - (l) Fund Disruption Event: [Not Applicable as per General Condition 35.1 (Definitions)][Applicable]
22. Early Cash Settlement Amount: [Par][Market Value]
23. Early Redemption Notice Period Number: [●][[As set out in General Condition 35.1 (Definitions)]]
24. Unwind Costs: [Not Applicable][Applicable]
25. Settlement Expenses: [Not Applicable][Applicable]
26. FX Disruption Event: [Not Applicable][Applicable]  
Specified Currency: [●]
27. Local Jurisdiction Taxes and [Not Applicable][Applicable]

Expenses:

**General provisions**

28. Form of Securities: [Global Bearer Securities: [Temporary Global Security, exchangeable for a Permanent Global Security] [Permanent Global Security[, exchangeable for a Definitive Bearer Security]]]  
 [Global Registered Security[, exchangeable for a Definitive Registered Security]]  
 [Definitive Registered Securities]  
 [Registered Security Closed Period: [Not Applicable] [Applicable]]  
 [CREST Securities held in uncertificated registered form] [Book-Entry Securities in [bearer form (*au porteur*)] [registered form (*au nominatif*)] [deposited with Euroclear France]]  
 [Uncertificated Securities in dematerialised book-entry form] [registered with VP] [registered with Euroclear Finland] [registered with the Norwegian Central Securities Depository] [held in accordance with the Swedish Financial Instruments Accounts Act (1998:1479), as amended. Cleared and settled in Euroclear Sweden]  
 [Uncertificated Securities in dematerialised and registered form, in accordance with article 973c of the Swiss Federal Code of Obligations]  
 NGN Form: [Applicable] [Not Applicable]  
 Held under the NSS: [Applicable] [Not Applicable]  
 CGN Form: [Applicable] [Not Applicable]  
 CDIs: [Applicable] [Not Applicable]
29. Trade Date: [●]
30. Additional Business Centre(s): [●][Not Applicable]
31. Business Day Convention: [Following] [Modified Following] [Nearest] [Preceding] [Floating Rate] [Not Applicable]
32. Determination Agent: [Barclays Capital Securities Limited] [Barclays Bank PLC] [●]
33. Registrar: [The Bank of New York Mellon (Luxembourg) S.A.] [The Bank of New York Mellon (New York branch)] [●][Not Applicable]

34. CREST Agent: [Computershare Investor Services PLC] []  
[Not Applicable]
35. Transfer Agent: [The Bank of New York Mellon]  
  
[The Bank of New York Mellon (Luxembourg S.A.)]  
  
[The Bank of New York Mellon (New York branch)]  
  
[] [Not Applicable]
36. (a) [Names] [and addresses] of [Barclays Bank PLC][Barclays Capital Inc.][]  
Manager[s] [and underwriting [Not Applicable]  
commitments]:
- (b) Date of underwriting agreement: [] [Not Applicable]
- (c) Names and addresses of secondary [] [Not Applicable]  
trading intermediaries and main terms  
of commitment:
37. Registration Agent: [] [Not Applicable]
38. *Masse* Category: [Full *Masse*] [Contractual *Masse*] [No *Masse*]  
[Not Applicable]
39. Governing law: [English law] [French law] [Swiss law]

**PART B – OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

- (a) Listing and Admission to Trading: The Securities will not be listed or admitted to trading on any exchange.] [Application is expected to be made by the Issuer (or on its behalf) for the Securities to be [listed on the official list and] admitted to trading on the [regulated market of the] [London Stock Exchange] [the Irish Stock Exchange] [NYSE Euronext Paris] [NYSE Euronext Brussels] [Luxembourg Stock Exchange] [Malta Stock Exchange] [NASDAQ OMX Copenhagen] [NASDAQ OMX Stockholm] [Oslo Stock Exchange] [Nordic Derivatives Exchange (NDX)] [NASDAQ OMX Helsinki] [Borsa Italiana S.p.A.] [Bolsas y Mercados Españoles] [NYSE Euronext Lisbon] [NYSE Euronext Amsterdam]] [[,]and] on the SIX Swiss Exchange] [[and] on the multilateral trading facility of EuroTLX SIM S.p.A.], which is not a regulated market] with effect from [●]. [The Tranche [●] Securities[, Tranche [●] Securities][ and Tranche [●] Securities] were admitted to trading on [the London Stock Exchange] [the Irish Stock Exchange] [NYSE Euronext Paris] [NYSE Euronext Brussels] [Luxembourg Stock Exchange] [Malta Stock Exchange] [NASDAQ OMX Copenhagen] [Oslo Stock Exchange] [NASDAQ OMX Stockholm] [Nordic Derivatives Exchange (NDX)] [NASDAQ OMX Helsinki] [Borsa Italiana S.p.A.] [Bolsas y Mercados Españoles] [NYSE Euronext Lisbon] [NYSE Euronext Amsterdam] [SIX Swiss Exchange] [the multilateral trading facility of EuroTLX SIM S.p.A.] on or around [●],[●]][ and [●], respectively].]

[The Securities shall not be fungible with the Tranche [●] Securities[, the Tranche [●] Securities][or the Tranche [●] Securities] until such time as the Securities are listed and admitted to trading as indicated above.]

- (b) Estimate of total expenses related to admission to trading: [●] [Not Applicable]

- [(c) Renouncement Notice Cut-off Time:] [[●] [Not Applicable]]

**2. RATINGS**

Ratings: [The Securities have not been individually rated.]  
 Upon issuance, the Securities are expected to be rated:  
 [Standard & Poor's: [●]]  
 [Moody's: [●]]  
 [Fitch: [●]]

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

[Save for any fees payable to the Manager[s] and save as discussed in risk factor 18 (*Risks associated with conflicts of interest*), so far as the Issuer is aware, no person involved in the

offer of the Securities has an interest material to the [issue/offer.] [●]

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

(a) Reasons for the offer: [●] [General funding] [Not Applicable]

(b) [Estimated net [●] [Not Applicable]  
proceeds:]

(c) [Estimated total [●] [Not Applicable]  
expenses:]

**5. [PERFORMANCE OF UNDERLYING ASSET[S], AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET[S]]**

[●]

[Bloomberg Screen [●][SPX <Index>][SX5E <Index>][UKX <Index>]]

[Reuters Screen [●][.SPX][.STOXX50E][.FTSE] Page]

[and] [www.[ ● ]][<http://eu.spindices.com/indices/equity/sp-500>] [<http://www.stoxx.com>]  
[<http://www.ftse.com>]

[Index Disclaimer[s]: [FTSE<sup>®</sup> 100 Index] [EURO STOXX 50<sup>®</sup> Index] [S&P<sup>®</sup> 500 Index] [See Annex hereto][Not Applicable]

**6. OPERATIONAL INFORMATION**

(a) ISIN: [●]

(b) [Temporary ISIN:] [●]

(c) Common Code: [●]

(d) [Temporary Common [●]  
Code:]

(e) Relevant Clearing [Euroclear, Clearstream] [CREST [–identification number [●  
System(s) [and the ]]] [Euroclear Finland [–identification number [●]]] [Euroclear  
relevant identification France [–identification number [●]]] [Euroclear Sweden [–  
number(s):] number [●]]] [SIS [–identification number [●]]] [VP [–identification number [●]]] [VPS [–identification number [●]]]

[The Securities are [CREST/ Danish/ Finnish/ French Cleared/  
Norwegian/ Swedish] Securities]

(f) Delivery: Delivery [against/free of] payment.

- (g) Name and address of additional Paying Agent(s):]  [Not Applicable]

7. **[TERMS AND CONDITIONS OF THE OFFER]**

**Authorised Offeror(s)**

- (a) Public Offer: [Not Applicable]/[An offer of the Notes may be made, subject to the conditions set out below by the Authorised Offeror(s) (specified in (b) immediately below) other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction(s) (specified in (c) immediately below) during the Offer Period (specified in (d) immediately below) subject to the conditions set out in the Base Prospectus and in (e) immediately below]
- (b) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place (together the "Authorised Offeror(s)": Each financial intermediary specified in (i) and (ii) below:
- (i) **Specific consent:**  (the "Initial Authorised Offeror(s)") [and each financial intermediary expressly named as an Authorised Offeror on the Issuer's website (<http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms>)]; and
- (ii) **General consent:** [Not Applicable]/[Applicable: each financial intermediary which (a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction and (b) accepts such offer by publishing on its website the Acceptance Statement]
- (c) Jurisdiction(s) where the offer make take place (together, the "Public Offer Jurisdictions(s)": [Belgium/Denmark/Finland/France/Ireland/Italy/Luxembourg/Malta/the Netherlands/Norway/Portugal/Spain/Sweden/ the United Kingdom]
- (d) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s):  [Not Applicable]
- (e) Other conditions for use of the Base Prospectus by the Authorised Offeror(s):  , in relation to those Authorised Offeror(s) specified in (b)(ii) above only] [Not Applicable]

**Other terms and conditions of the offer**

- (a) Offer Price: [The Issue Price][% of the Issue Price]
- (b) Total amount of offer:  [Not Applicable]
- (c) Conditions to which the offer is subject:  [Not Applicable]



- (d) Time period, including any possible amendments, during which the offer will be open and description of the application process:  [Not Applicable]
- (e) Description of the application process:  [Not Applicable]
- (f) Details of the minimum and/or maximum amount of application:  [Not Applicable]
- (g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:  [Not Applicable]
- (h) Details of method and time limits for paying up and delivering the Securities:  [Not Applicable]
- (i) Manner in and date on which results of the offer are to be made public:  [Not Applicable]
- (j) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:  [Not Applicable]
- (k) Whether tranche(s) have been reserved for certain countries:  [Not Applicable]
- (l) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:  [Not Applicable]
- (m) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  [Not Applicable]

- (n) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  [Not Applicable]

**[ANNEX – INDEX DISCLAIMER[S]]**

**[•]**

**SUMMARY**

[•]

## CLEARANCE AND SETTLEMENT

### **Book-Entry Ownership**

#### **Bearer Securities**

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Securities. In respect of Bearer Securities, a Temporary Global Security and/or a Permanent Global Security in bearer form without Coupons may be deposited with a common depository for Euroclear and/or Clearstream or an alternative clearing system as agreed between the Issuer and the Managers. Transfers of interests in such Temporary Global Securities or Permanent Global Securities will be made in accordance with the normal Euromarket debt securities operating procedures of Euroclear and Clearstream or, if appropriate, the alternative clearing system.

#### **Registered Securities**

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Securities to be represented by a Global Security. Each Global Security deposited with a common depository for, and registered in the name of, a nominee of Euroclear and/or Clearstream will have an ISIN and a Common Code.

All Registered Securities will initially be in the form of Global Securities. Definitive Securities will only be available, in the case of Securities initially represented by a Global Security, in amounts or numbers specified in the Final Terms.

#### **Transfers of Registered Securities**

Transfers of interests in Global Securities within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Beneficial interests in a Global Security may only be held through Euroclear or Clearstream.

#### **Definitive Securities**

Registration of title to Registered Securities in a name other than a common depository or its nominee for Clearstream and Euroclear will be permitted only in the circumstances set out in General Condition 1 (*Form, title and transfer*). In such circumstances, the Issuer will cause sufficient individual Securities to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Holder(s). A person having an interest in a Global Security must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Securities.

## **GENERAL INFORMATION APPLICABLE TO CREST SECURITIES AND CDIs**

### **CREST Securities**

CREST Securities may be issued and held in uncertificated registered form in accordance with the Uncertificated Regulations and, as such, are dematerialised and not constituted by any physical document of title. Securities which are CREST Securities shall be specified as such in the Final Terms.

CREST Securities issued pursuant to the Programme will be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the CREST Securities is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Uncertificated Regulations is Euroclear UK & Ireland Limited.

The address of Euroclear UK & Ireland Limited is 33 Cannon Street, London EC4M 5SB, United Kingdom.

### **CDI Securities**

Investors may hold indirect interests in Cleared Securities issued pursuant to the Programme by holding CDIs through CREST. CDIs represent indirect interests in the Underlying Securities to which they relate and holders of CDIs will not be the legal owners of the Underlying Securities.

CDIs may be issued by the CREST Depository and held through CREST in dematerialised uncertificated form in accordance with the CREST Deed Poll. CDIs in respect of Underlying Securities will be constituted and issued to investors pursuant to the terms of the CREST Deed Poll.

Following their delivery into Euroclear (directly or through another clearing system using bridging arrangements with Euroclear), interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing the interests in the relevant Underlying Securities. Interests in the Underlying Securities 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 as one Underlying Security, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the Underlying Securities on trust for such CDI holder. CDI holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Securities and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Securities by a CREST participant to a participant of Euroclear or another Relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Securities underlying the CDIs to the account of the relevant participant with Euroclear or such other Relevant Clearing System. The CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on the Official List of the UK Listing Authority.

The rights of the holders of CDIs will be governed by the arrangements between CREST, the Relevant Clearing System and the Issuer, including the CREST Deed Poll (in the form contained in Chapter 3 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 Securities which are not represented by CDIs.

The attention of investors in CDIs is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +442078490000 or from the Euroclear UK & Ireland Limited website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).

## TAXATION

### 1. General taxation information

**The information provided below does not purport to be a complete overview of tax law and practice currently applicable to the Securities. Transactions involving Securities (including purchases, transfers and/or redemptions), the accrual or receipt of any interest or premium payable on the Securities, the delivery of any entitlement and the death of a holder of any Security may have tax consequences for investors which may depend, amongst other things, upon the tax residence and/or status of the investor. Investors are therefore advised to consult their own tax advisers as to the tax consequences of transactions involving Securities and the effect of any tax laws in any jurisdiction in which they may be tax resident or otherwise liable to tax. In particular, no representation is made as to the manner in which payments under the Securities would be characterised by any relevant taxing authority.**

The following overviews do not consider the tax treatment of payments or deliveries in respect of Underlying Assets. The taxation provisions applicable to such items may be different (and in some cases significantly different) from those described in the overview below.

Purchasers and/or sellers of Securities may be required to pay stamp taxes and other charges in addition to the issue price or purchase price (if different) of the Securities and in connection with the transfer or delivery of any Underlying Asset.

Investors are referred to General Condition 5.12 (*Taxes, Settlement Expenses and conditions to settlement*) and General Condition 6 (*Settlement*).

Terms defined in the sections below are defined for the purpose of the relevant section only.

As used below, the "**Savings Directive**" shall mean Council Directive 2003/48/EC on the taxation of savings income.

### 2. United Kingdom taxation

The comments below are of a general nature based on current United Kingdom tax law and HM Revenue & Customs ("**HMRC**") published practice and are an overview of the understanding of the Issuer of current law and practice in the United Kingdom relating only to certain aspects of United Kingdom taxation. They are not intended to be exhaustive. They relate only to persons who are the beneficial owners of Securities and do not apply to certain classes of taxpayers (such as persons carrying on a trade of dealing in Securities, certain professional investors and persons connected with the Issuer) to whom special rules may apply.

Investors who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

#### 2.1 Withholding tax

##### (a) Payments of interest by the Issuer only

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**Act**"), and provided that the interest on Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom tax.

##### (b) Payments of interest in respect of Securities which are listed on a recognised stock exchange

Payments of interest under Securities may be made without withholding or deduction for or on account of United Kingdom tax, provided that such Securities carry a right to interest, and are and remain listed on a 'recognised stock exchange', as defined in section 1005 of the Act. The London Stock Exchange is a recognised stock exchange. Securities will satisfy this requirement if they are admitted to trading on the relevant

recognised stock exchange, and are (in the case of the UK) included in the Official List or (in a country outside the UK where there is a recognised stock exchange) are officially listed in accordance with provisions corresponding to those generally applicable in EEA states.

Provided, therefore, that Securities are and remain so listed, interest on such Securities will be payable without withholding or deduction for or on account of United Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

**(c) Payments of interest to certain holders**

Interest on Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where, at the time the payment is made, the Issuer reasonably believes that either:

- (i) the person beneficially entitled to the interest payable on such Securities is within the charge to United Kingdom corporation tax as regards the payment of such interest; or
- (ii) the payment is made to one of the classes of exempt bodies or persons set out in section 936 of the Act,

provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that such payment of interest will not be an 'excepted payment' at the time the payment is made) that the interest should be paid under deduction of tax.

**(d) Securities with a maturity of less than 365 calendar days**

Interest on Securities having a maturity of less than one year from the date of issue and which are not issued under arrangements, the effect of which is to render such Securities part of a borrowing with a total term of a year or more, may also be paid without deduction for or on account of United Kingdom income tax.

**(e) Other withholdings**

In other cases, an amount may have to be withheld from payments of interest on Securities for or on account of United Kingdom income tax at the basic rate, subject to the availability of other exemptions (which will differ from those set out above) or reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available under an applicable double taxation treaty.

In addition, an amount for or on account of United Kingdom income tax at the basic rate may have to be withheld on payments on Securities where such payments do not constitute interest for United Kingdom tax purposes but instead constitute either annual payments or, in the case of Securities which are capable of physical settlement, manufactured payments for United Kingdom tax purposes, in each case subject to the availability of exemptions or reliefs or subject to any direction to the contrary from HMRC in respect of such relief as may be available under an applicable double taxation treaty.

**(f) Exemption for payments on derivatives**

There is a complete exemption from the withholdings set out above for those Securities where the Issuer's UK taxable profits and losses in relation to that particular Security are calculated in accordance with Part 7 Corporation Tax Act 2009.

**(g) Interpretation**

The references to 'interest' above mean 'interest' as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any Securities



redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above. In certain cases, the same could be true for amounts of discount where Securities are issued at a discount. The statements above do not take any account of any different definitions of 'interest' or 'principal' which may prevail under any other law or which may be created by the terms and conditions of the Securities or any related documentation.

## 2.2 Reporting Requirements

HMRC has powers, in certain circumstances, to obtain information. 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. 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.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

Investors are also directed to the disclosure below in respect of the Savings Directive.

## 2.3 United Kingdom Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

### (a) Issue

No UK stamp duty or stamp duty reserve tax ("SDRT") should generally be payable on the issue of Securities save where all three of the conditions in (i), (ii) and (iii) below are met:

- (i) the Securities do not constitute exempt loan capital (see below);
- (ii) the Securities are not covered by Article 5(2) of the Capital Duties Directive (Council Directive 2008/7/EC); and
- (iii) there is a provision for physical settlement.

Where those three conditions are all met, the issue of such Securities could, in certain cases, attract stamp duty at 0.5% or, if issued to an issuer of depositary receipts or a clearance service (or their nominees) (see below) SDRT at 1.5% on issue.

Securities will constitute 'exempt loan capital' if the Securities constitute 'loan capital' (as defined in section 78 Finance Act 1986) and do not carry (and in the case of (ii)-(iv) below have never carried) any one of the following four rights:

- (i) a right for the holder of the securities to opt for conversion into shares or other securities or to acquire shares or other securities, including loan capital of the same description;
- (ii) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital;
- (iii) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property; or

- (iv) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange.

**(b) Transfer of Securities**

Transfers of interests in Securities held through a clearance service do not attract UK stamp duty or SDRT provided that no section 97A election has been made.

Where Securities do not comprise exempt loan capital and are not held through a clearance service, then agreements to transfer such Securities may attract SDRT at 0.5 per cent of the chargeable consideration.

In addition, stamp duty at 0.5 per cent may arise in respect of any document transferring any Security that does not comprise exempt loan capital. However, where a liability to stamp duty is paid within six years of a liability to SDRT arising the liability to SDRT will be cancelled or repaid as appropriate.

**(c) Redemption or Settlement of Securities**

Stamp duty at 0.5 per cent may arise on physical settlement in certain cases. Where such stamp duty is payable, it may be charged at the higher rate of 1.5 per cent in respect of any document transferring or agreement to transfer Securities to a depositary receipts system or clearance service.

**(d) Clearance services**

For these purposes, the clearing systems run by Euroclear Bank and Clearstream Luxembourg constitute a 'clearance service' however the CREST system run by Euroclear UK & Ireland does not.

**3. European Union taxation**

**3.1 EU Directive on the taxation of savings income**

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income payments ("**Savings Income**") made by a person within its jurisdiction to or collected by such a person for an individual or to certain non-corporate entities, resident in that other Member State (interest payments on the Notes will for these purposes be Savings Income). However, for a transitional period, Austria is instead applying a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding - a withholding system in the case of Switzerland) in relation to payments of Savings Income made by a person within its jurisdiction to an individual, or to certain non-corporate entities, resident in a Member State.

In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to an individual, or to certain non-corporate entities, resident in certain dependent or associated territories or non-EU countries.

Where an individual Holder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual Holder may be able to elect not to have tax withheld. The formal requirements may vary

slightly from jurisdiction to jurisdiction. They generally require the individual Holder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. Provided that the other tax authority receives all of the necessary information the payment will not suffer a withholding under Council Directive 2003/48/EC or the relevant law conforming with the directive in a dependent or associated territory.

Prospective holders of Securities should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014 (the "**Amending Directive**"), which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

The Organisation for Economic Co-operation and Development ("**OECD**") has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Common Reporting Standard**"), which calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted the revised Council Directive on Administrative Cooperation 2011/16/EU (the "**DAC**") (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard. EU member states are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the DAC by 31 December 2015. They are required to apply these provisions from 1 January 2016 and to start the automatic exchange of information no later than end of September 2017.

Therefore, the European Commission has proposed the repeal of the EU Savings Directive no later than 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and the DAC (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

### 3.2 The proposed financial transactions tax ("**FTT**")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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 to certain dealings in Securities 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 which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU member states may decide to participate.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

#### 4. United States taxation of non-US holders

**INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON INVESTORS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

The following is an overview of certain of the material US federal income tax consequences of the acquisition, ownership and disposition of Securities by a non-US holder that has no connection with the United States other than owning Securities. For purposes of this section, a "non-US holder" is a beneficial owner of Securities that is: (i) a non-resident alien individual for US federal income tax purposes; (ii) a foreign corporation for US federal income tax purposes; or (iii) an estate or trust whose income is not subject to US federal income tax on a net income basis. If the investor is not a non-US holder, he/she should consult his/her tax adviser with regard to the US federal income tax treatment of an investment in Securities. In addition, this section does not apply to Securities that have a term of 30 years or more or that have no term.

This overview is based on interpretations of the Code, Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any of those changes may be applied retroactively and may adversely affect the US federal income tax consequences described herein. Investors considering the purchase of Securities should consult their own tax advisers concerning the application of US federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Securities arising under the laws of any other taxing jurisdiction.

**INVESTORS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE US FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.**

##### 4.1 US federal tax treatment of non-US holders

In general and subject to the discussion in the following paragraphs, payments on the Securities to a non-US holder that has no connection to the United States other than holding Securities and gain realised on the sale, exchange, redemption or other disposition of the Securities by such a non-US holder generally will not be subject to US federal income or withholding tax, provided the non-US holder complies with any applicable tax identification and certification requirements.

The Internal Revenue Service ("IRS") released a notice in 2007 that may affect the taxation of non-US holders of Securities. According to the notice, the IRS and the Treasury Department are actively considering whether, among other issues, the holder of instruments such as Securities should be required to accrue ordinary income on a current basis. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, non-US holders of Securities will ultimately be required to accrue income currently and that non-US holders of Securities could be subject to withholding tax on deemed income accruals and/or other payments made in respect of such Securities. In addition, alternative treatments of Securities are possible under US federal income tax law. Under one such alternative characterisation, it is possible that an investor could be treated as owning the Underlying Asset of Securities.

If the amount that is payable on a Security is determined by reference to dividends that are paid or declared with respect to a US stock, it is possible that the IRS could assert that investors should be subject to US withholding tax in respect of such dividends. Similarly, in the case of Securities that are linked to one or more assets characterised as 'US real property interests' (as such term is defined in section 897(c) of the Code), non-US holders may be subject to special rules governing the ownership and disposition of US real property interests. Prospective non-US holders should consult their own tax advisers regarding the possible alternative treatments of the Securities.

In addition, proposed regulations under section 871(m) of the Code, if finalised in their current form, could possibly require the Issuer to treat all or a portion of any payment in respect of Securities that reference US equities as a 'dividend equivalent' payment that is subject to withholding tax at a rate of 30 per cent (or a lower rate under an applicable treaty). This treatment could apply even if payments on the Securities that reference US equities do not specifically reference dividends.

#### 4.2 Foreign account tax compliance withholding

Under FATCA the Issuer (and any intermediary in the chain of payment) may require each holder of a Security to provide certifications and identifying information about itself and certain of its owners. The failure to provide such information, or the failure of certain non-US financial institutions to comply with FATCA, may compel the Issuer (or an intermediary) to withhold a 30 per cent tax on payments (including redemption payments and gross proceeds) to such holders and neither the Issuer nor any other person will pay any additional amounts with respect to such withholding. Any such withholding would not begin earlier than 1 January 2017 except in the case of US-source payments, which generally should be limited to dividend equivalent payments and interests in US real property interests (although there can be no assurance the IRS may not seek to treat other payments that reference US securities as U.S. source income).

##### *No Gross Up*

The Issuer will not make any additional payments to holders of Securities to compensate them for any taxes withheld in respect of FATCA or any US withholding tax, including without limitation, in respect of dividends, dividend equivalent payments, and direct and indirect interests in US real property.

### 5. Belgian taxation

The following overview describes the principal Belgian tax considerations with respect to the holding of Securities obtained by an investor in Belgium. This information is of a general nature based on the description of the Securities in the Conditions and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Securities. In some cases, different rules can be applicable taking into account the Final Terms. This overview is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect. Unless expressly stated otherwise, this overview does not describe the tax consequences for a holder of Securities that are redeemable in exchange for, or convertible into, shares or other underlying assets, or of the exercise, settlement or redemption of such Securities.

Each investor should consult a professional adviser with respect to the tax consequences of an investment in the Securities, taking into account the Final Terms and taking into account the influence of each regional, local or national law.

#### 5.1 Belgian Withholding Tax and Belgian Income Tax

##### (a) Tax rules applicable to natural persons resident in Belgium

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (*Personenbelasting/Impôt des personnes physiques*) and

who hold the Securities as a private investment, are subject to the following tax treatment in Belgium with respect to the Securities. Other tax rules apply to Belgian resident individuals holding the Securities not as a private investment but in the framework of their professional activity or when the transactions with respect to the Securities fall outside the scope of the normal management of their own private estate.

Under Belgian tax law, 'interest' income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price, and (iii) only if the securities qualify as 'fixed income securities' (in the meaning of Article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the securities between two interest payment dates, the interest accrued during the holding period. In general, securities are qualified as 'fixed income securities' if there is a causal link between the amount of interest income and the holding period of the security, on the basis of which it is possible to calculate the amount of *pro rata* interest income at the moment of the sale of the securities during their lifetime. Based on its circular letter of 25 January 2013 on the tax treatment of income of structured securities, the Belgian tax administration also considers any other securities whose return is uncertain due to a link with the performance of underlying products or values as fixed income securities. There is therefore a possibility that the Belgian tax authorities will want to characterise the Securities whose return is linked to the performance of the Underlying Assets as fixed income securities, even though it is debatable whether this is in line with Belgian tax legislation.

Payments of interest on the Securities which qualify as interest (as defined above under (i) and (ii)) and which are made through a paying agent or other financial intermediary in Belgium will in principle be subject to a 25 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Securities in their personal income tax return, provided withholding tax was effectively levied on these interest payments. They may nevertheless elect to declare interest in respect of the Securities in their personal income tax return if that would be more beneficial.

If the interest is paid outside of Belgium without the intervention of a Belgian paying agent or other financial intermediary, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 25 per cent (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, any withholding tax retained may be credited and any excess will be refundable.

Capital gains realised upon the sale of the Securities are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate or except to the extent that the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

**(b) Belgian resident corporations**

Corporations that are Belgian residents for tax purposes, i.e. corporations subject to Belgian corporate income tax (*Vennootschapsbelasting/Impôt des sociétés*), are subject to the following tax treatment in Belgium with respect to the Securities.

Interest derived by Belgian corporate investors on the Securities and capital gains realised on the disposal or settlement of the Securities will in principle be subject to Belgian corporate income tax at the rate of in principle 33.99 per cent. Capital losses are in principle tax deductible.

Payments of interest (as defined in the section '*Tax rules applicable to natural persons resident in Belgium*') on the Securities made through a paying agent or other financial intermediary in Belgium will in principle be subject to a 25 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes).

However, interest payments on the Securities (except Securities which provide for the capitalisation of interest) made through a paying agent or other financial intermediary in Belgium can under certain circumstances be exempt from withholding tax, provided a special affidavit is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

**(c) Other Belgian legal entities**

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/Impôt des personnes morales*), are subject to the following tax treatment in Belgium with respect to the Securities.

Payments of interest (as defined in (i) and (ii) in the section '*Tax rules applicable to natural persons resident in Belgium*') on the Securities made through a paying agent or other financial intermediary in Belgium will in principle be subject to a 25 per cent withholding tax in Belgium and no further tax on legal entities will be due on the interest. However, if the interest is paid outside Belgium, i.e. without the intervention of a Belgian paying agent or other financial intermediary and without deduction of the Belgian withholding tax, the legal entity itself is liable to declare the interest to the Belgian tax administration and to pay the 25 per cent withholding tax to the Belgian treasury.

Capital gains realised on the Securities are in principle tax exempt, except to the extent the capital gains qualify as interest (as defined in the section '*Tax rules applicable to natural persons resident in Belgium*'). Capital losses on the Securities are in principle not tax deductible.

**(d) Organisation for Financing Pensions**

Belgian pension fund entities that have the form of an Organisation for Financing Pensions ("**OFP**") are subject to Belgian corporate income tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are subject to the following tax treatment in Belgium with respect to the Securities.

Interest derived on the Securities and capital gains realised on the Securities will not be subject to Belgian corporate income tax in the hands of OFPs. Capital losses incurred by OFPs on the Securities will not be tax deductible. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

**(e) Non-residents of Belgium**

The interest income on the Securities paid to a non-resident investor outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax. Interest income (as defined in (i) and (ii) in the section '*Tax rules applicable to natural persons in Belgium*') on the Securities paid through a Belgian professional intermediary will in principle be subject to a 25 per cent Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement which is in effect and delivers the requested affidavit.

Non-resident holders that have not allocated the Securities to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock exchange company or a licensed Belgian clearing or settlement institution and provided that the non-resident (i) is the full legal owner or usufruct holder of the Securities, (ii) has not

allocated the Securities to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

Non-resident holders using the Securities to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above). Non-resident holders who do not allocate the Securities to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

## 5.2 Implementation of the Savings Directive

### (a) Individuals not resident in Belgium

A Belgian paying agent within the meaning of the Savings Directive will enable automatic exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the Savings Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU member state or resident in Switzerland, Lichtenstein, Andorra, Monaco or San Marino or in one of the so-called 'Dependent and Associated Territories' (i.e. Curaçao, Bonaire, Saba, Sint-Maarten and Sint-Eustatius (former Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands). Residual entities (in the meaning of the Savings Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of an affidavit.

### (b) Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU member state, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint-Maarten and Sint-Eustatius (former Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to source tax pursuant to the withholding system under the Savings Directive, such source tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The source tax will be credited against the personal income tax. If the source tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

## 5.3 Belgian tax on stock exchange transactions and tax on repurchase transactions

A stock exchange tax (*Taxe sur les opérations de bourse*, *Taks op de beursverrichtingen*) will be levied on the acquisition and disposal of the Securities for consideration on the secondary market in Belgium through a professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The tax rate is in principle 0.09 per cent for Securities with a maximum amount of EUR 650 per transaction and per party.

A tax on repurchase transactions (*Taxe sur les reports/Taks op de reporten*) at the rate of 0.085 per cent, subject to a maximum of EUR 650 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional



investors, as defined in Articles 126-1.2 and 139 of the Code of various duties and taxes (*Code des droits et taxes divers/Wetboek diverse rechten en taksen*).

#### 5.4 Belgian estate and gift tax

##### (a) Individuals resident in Belgium

An estate tax is levied on the value of the Securities transferred as part of a Belgian resident's estate.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities (if any) or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration for registration. However, estate taxes on donated Securities are avoided only if a person can demonstrate that the gift (not subject to gift tax) occurred more than three years preceding the death of the grantor.

##### (b) Individuals not resident in Belgium

There is no Belgian estate tax on the transfer of Securities on the death of a Belgian non-resident.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities (if any) or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration for registration..

#### 6. Danish taxation

The following is an overview description of the taxation in Denmark of Securities according to the Danish tax laws in force at the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Investors are, in all circumstances, strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of Securities. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Securities.

##### 6.1 Withholding tax

When the Issuer is not a Danish tax resident person, Denmark does not levy withholding tax on payments on Notes or Certificates.

##### 6.2 Taxation of notes and certificates in general

###### (a) Individual investors resident in Denmark

Notes and Certificates owned by individual investors which are resident in Denmark for Danish tax purposes may fall within two categories depending on whether the interest rate and/or the principal is adjusted according to certain reference assets.

To the extent gains and losses are included in the taxable income of the investor, they will be taxable as capital income.

Capital income is taxed at a rate of up to 42 per cent. (2015). Income taxable as interest is taxed as capital income in the income year in which it falls due.

###### (b) Notes and Certificates not subject to section 29, subsection 3 of the Capital Gains Tax Act (*kursgevinstloven*)

Gains and losses on Notes and Certificates issued that are not subject to section 29, subsection 3 of the Capital Gains Tax Act, are included in the calculation of capital

income. However, an immateriality threshold will apply to the effect that net gains and losses on (i) receivables not taxable according to section 29, sub-section 3 of the Capital Gains Tax Act, debt in currency other than Danish kroner ("**DKK**") cf. section 23 of said Act and, (ii) certain units in certain types of investment funds comprised by section 22 of the Act on Capital Gains on Shares Tax Act (*aktieavancebeskatningsloven*), below DKK 2,000 per year will not be included in the taxable income. Further, tax deductibility of losses realised on Notes and Certificates which are traded on a regulated market is subject to the Danish tax authorities having been notified of the acquisition of the Notes or Certificates as further outlined in section 15 of the Capital Gains Tax Act. Further, losses realised on Notes and Certificates on which Denmark pursuant to a tax treaty is prevented from taxing interest or gains will not be deductible.

The Notes and Certificates are taxed upon realisation, i.e. redemption or disposal. Gains and losses are calculated in DKK as the difference between the acquisition sum and the value at realisation.

If an original issue of Notes and Certificates and a new issue of Notes and Certificates are listed under the same ID code, the acquisition sum for all such Notes and Certificates is calculated on an average basis. Furthermore, if an original and a new issue of Notes and Certificates, issued by the same issuer, are not listed under the same ID code, but denominated in the same foreign currency, the acquisition sum for all such Notes and Certificates is calculated on an average basis, provided that the issues are identical. Issues are as a general rule deemed identical if the currency, interest and term are identical.

As at March 2015, individuals may elect to apply a mark-to-market principle for all receivables (including Notes and Certificates) traded on a regulated market and/or currency exchange gains and losses on receivables and debt (including Notes and Certificates) denominated in other currency than DKK. Once the mark-to-market principle is elected, a change back to the realization principle requires approval from the Danish tax authorities. Under the mark-to-market principle, a gain or a loss is calculated as the difference between the value of the Note or Certificate at file beginning and the end of the income year, beginning with the difference between the acquisition sum of the Note or Certificate and the value of the Note or Certificate at the end of the same income year. Upon realisation of the Note or Certificate, i.e. redemption or disposal, the taxable income of that income year equals the difference between the value of the Note or Certificate at the beginning of the income year and the value of the Note or Certificate at realisation. If the Note or Certificate has been acquired and realised in the same income year, the taxable income equals file difference between the acquisition sum and the value at realisation.

**(c) Notes and Certificates subject to section 29, subsection 3 of the Capital Gains Tax Act**

Gains on Notes and Certificates that are subject to section 29, subsection 3 of the Capital Gains Tax Act are included in the calculation of capital income. Losses on such Notes and Certificates can be deducted in gains on financial contracts according to certain rules, see below. The said section 29, subsection 3 can be summarised as follows:

Notes and Certificates that are wholly or partly adjusted according to development in prices and other reference relevant to securities, commodities and other assets, provided that the development can be subject to a financial contract, are taxed annually according to an inventory-value principle. Certain exceptions apply with respect to Notes and Certificates adjusted according to the development of certain official indexes within the European Union.

A gain or a loss is calculated as the difference between the value of the Note or Certificate at the beginning and the end of the income year, beginning with the difference between the acquisition sum of the Note or Certificate and the value of Note

or Certificate at the end of the same income year. Upon realisation of the Note or Certificate, i.e. redemption or disposal, the taxable income of that income year equals the difference between the value of the Note or Certificate at the beginning of the income year and the value of the Note or Certificate at realisation. If the Note or Certificate has been acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the value at realisation.

A loss can only be deducted to the extent the loss does not exceed the net gains on financial contracts in previous income years. Financial contracts in this context comprise put options, call options and forward contracts separately taxable as well as claims taxable as financial contracts in section 29, subsection 3 of the Capital Gains Tax Act, but excluding claims where the first creditor has acquired the claim before 4 May 2005. A further loss can be deducted in the net gains of financial contracts of the same income year and carried forward for set off in the net gains of financial contracts of the following income years. Losses that exceed the net gains of previous income years and the same income year may generally be set off against net gains of a spouse of the same income year and may be set off against net gains of a spouse in following income years, if the exceeding loss cannot be deducted in net gains of the individual of the income year in question. Further losses can be set off against gains realised on shares traded on a regulated market if the financial contract entails a right or an obligation to purchase or sell shares and the financial contract itself is traded on a regulated market. A further loss on such financial contracts can be deducted in the net gains realised by a spouse on shares traded on a regulated market of the same income year and carried forward for the net gains of financial contracts of the following income years.

Individual investors who are subject to the special business tax regime (*Virksomhedsskatteordningen*) may invest in the Notes and Certificates comprised by section 29, subsection 3 of the Capital Gains Tax Act within the said tax regime, in section 1, subsection 2 of the Business Tax Regime Act (*Virksomhedsskatteloven*). Gains and losses on Notes and Certificates that are deemed to have relation to the business are included when calculating the annual taxable income of the business. A gain or a loss is calculated according to the abovementioned rules. Income taxable as interest is taxed in the income year in which it accrues. Gains and interest that form part of an annual profit that remains within the tax regime, set out in section 10, subsection 2 of the Business Tax Regime Act is subject to a provisional tax of currently 23.5 per cent (2015 – reduced to 22 per cent in 2016).

**(d) Pension funds**

Notes and Certificates comprised by the descriptions under items (b) – (c) above, and subject to the Act on Taxation of Pension Yield (*Pensionsafkastbeskatningsloven*) are taxed according to the inventory-value principle, (see also (b) above). However, the tax base is determined in accordance with the specific rules in section 4 or 4a of the Act on Taxation of Pension Yield. Gains and losses and any income taxable as interest are included when calculating the annual taxable income from pension funds. The tax rate is 15.3 per cent.

**(e) Corporate investors resident in Denmark**

Gains and losses on Notes and Certificates are included in the calculation of taxable income. The current tax rate is 23.5 per cent (2015 - reduced to 22 per cent in 2016). Income taxable as interest is taxed in the income year in which it accrues.

A gain or a loss is calculated as the difference between the value of the Note or Certificate at the beginning and the end of the income year, beginning with the difference between the acquisition sum of the Note or Certificate and the value of Note or Certificate at the end of the same income year. Upon realisation of the Note or Certificate, i.e. redemption or disposal, the taxable income of that income year equals the difference between the value of the Note or Certificate at the beginning of the income year and the value of the Note or Certificate at realisation. If the Note or

Certificate has been acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the value at realisation.

Corporate investors holding Notes or Certificates that are wholly or partly adjusted in accordance with developments in prices of securities, commodities and other assets which can be made subject to a derivative, cf. section 29, subsection 3 of the Capital Gains Tax Act, may not be entitled to deduct losses on such Notes or Certificates when linked to certain types of shares or share indices, and the Notes or Certificates are not held in a professional trading capacity for Danish tax purposes.

### 6.3 Taxation of Danish tax resident investors

Depending on the characteristics of the individual issuance/tranche, Notes can either be taxed separately as a debt or financial instrument or as a gain or loss on the underlying asset.

Generally taxation based on the underlying asset will only occur if a number of conditions are met, including, in particular, that the parties to the Security remain the same and that the underlying asset will be delivered (as opposed to cash settlement). If taxation takes place as taxation of the underlying asset, the nature of the taxation will depend on the type of asset in question. The taxation of the possible underlying instruments will not be described further herein.

Provided that the Notes are to be taxed separately, the taxation will, in general, be governed by the Danish act on taxation of debt, debt claims and financial contracts (*Kursgevinstloven*) and the Notes will be taxed as either (i) debt instruments or as (ii) financial instruments – depending on the specific characteristics of the individual Security.

If the individual Security contains features typical of debt instruments it must be determined on a case-by-case basis whether that particular security is in fact a debt instrument or a financial instrument. Decisive in such respect is whether the principal and/or interests are adjusted based on factors other than local consumer price indices.

#### (a) Debt Instruments – Danish residents

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish act on taxation of debt, debt claims and financial contracts (*Kursgevinstloven*). Generally, gains and losses on Notes held by corporate entities are taxed on the annual value increase or decrease of the Notes according to a mark-to-market principle (*lagerprincippet*), as specifically laid down in the act. Gains and losses on Notes held by individuals are generally taxed on a realised basis and the gains or losses will be taxed over and above DKK 2,000 annually.

Pension funds and other entities governed by the Danish act on taxation of pension yield (*Pensionsafkastbeskatningsloven*) would, irrespective of realisation, be taxed on annual value increase or decrease of the Notes according to a mark-to-market principle (*lagerprincippet*) as specifically laid down in the act.

#### (b) Financial Instruments – Danish residents

Pursuant to the Danish act on taxation of debt, debt claims and financial contracts (*Kursgevinstloven*), holders of financial contracts are generally taxed on the annual value increase or decrease of the Notes according to a mark-to-market principle (*lagerprincippet*) as specifically laid down in the act.

For individuals the marginal tax rate is 42 per cent. Additionally, complicated restrictions apply with respect to the deductibility of losses for individuals, most notably deductions are generally restricted to gains on other financial instruments.

For Danish corporate holders of Notes treated as financial instruments, gains are subject to a flat 23.5 per cent (in 2015 to be reduced to 22 per cent in 2016 and onwards).

Also for corporate investors certain restrictions apply with respect to the deductibility of losses, however, only with respect to certain share-based financial instruments.

**(c) Danish non-residents**

Under existing Danish tax laws, payments of interest or nominal amounts to any non-resident investors are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under '*Taxation of Investors not tax resident in Denmark*' above. Thus, no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Security will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under '*Taxation of investors not tax resident in Denmark*' above.

This tax treatment applies solely to investors who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

**6.4 Taxation of Certificates**

Certificates can either be taxed separately as a financial instrument or as a gain or loss on the underlying asset.

In order not to be taxed separately, a number of conditions must be met, including in particular, that the parties to the Certificate remain the same and that the underlying asset will be delivered (as opposed to cash settlement). If taxation takes place as taxation of the underlying asset, the nature of the taxation will depend on the type of asset in question.

If the underlying asset is a debt claim, taxation of such Certificates will take place in accordance with the Danish act on taxation of debt, debt claims and financial contracts. If the underlying financial asset is of a kind that will lead to taxation under the Danish Act on Capital Gains Tax on Shares (*Aktieavancebeskatningsloven*), the holder of Certificates will be deemed a shareholder for Danish tax purposes and be taxed in the following manner:

**(a) Resident personal holders of Certificates**

Sale, redemption or other disposals of Certificates covered by the Danish Act on Capital Gains Tax on Shares are considered a realisation for Danish tax purposes. A capital gain or loss obtained by a Danish resident personal shareholder through a disposal of Certificates is taxable or tax deductible in Denmark, respectively.

Capital gains will be subject to taxation as share income at a rate of 27 per cent on annual share income up to DKK 48,300 and 42 per cent on share income exceeding DKK 48,300. The stated amount limits are applicable for 2013. The amount limits are doubled for married couples co-habiting at the end of the income year.

Losses upon the realisation of Certificates can be deducted.

**(b) Resident corporate holders of Certificates**

Resident companies holding less than 10 per cent of a Danish company (portfolio shares) are generally subject to tax on dividends and capital gains. Most unlisted portfolio shares are, however, exempt from taxation of capital gains. Resident companies holding at least 10 per cent of a Danish company (subsidiary shares) are not liable to pay tax on dividends irrespective of the period of ownership and no tax on capital gains is imposed on such shares.

The corporate tax rate is 23.5 per cent (in 2015 to be reduced to 22 per cent in 2016 and onwards).

(c) **Non-Resident holders of Certificates**

For non-tax residents, capital gains on shareholdings remain tax-free irrespective of ownership percentage and ownership period. Generally, corporate shareholders are also exempt from tax on dividends if holding 10 per cent or more in a Danish company, however, exceptions apply. Dividends paid to corporate shareholders holding less than 10 per cent or dividends paid to individuals are subject to Danish withholding tax at a rate of 27 per cent.

7. **Dutch taxation**

The following overview of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Security, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of the Securities.

7.1 **Withholding tax**

All payments made by the Issuer of interest and principal under the Securities can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

7.2 **Other taxes**

The subscription, issue, placement, allotment, delivery or transfer of a Security will not be subject to registration tax, stamp duty or any other similar tax or duty payable in the Netherlands.

7.3 **Residence**

The holder of a Security will not be, or be deemed to be, resident in the Netherlands for tax purposes and will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Security or the execution, performance, delivery and/or enforcement of a Security.

8. **Finnish taxation**

The following overview is applicable to Finnish resident individuals and limited liability companies for the purposes of Finnish domestic tax legislation relating to income and capital gains arising from the Securities issued pursuant to the Programme. The overview does not address tax considerations applicable to holders of Securities that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations (CFCs), non-business carrying entities, income tax-exempt entities or general or limited partnerships. The overview does not cover situations where individuals hold the Securities in the context of business activities or where the Securities are held as current assets (i.e. allocable to the inventory or otherwise held for trading purposes) or as investment or financial assets by a limited liability company or where there are unrealised changes in the values of the Securities. Furthermore, this overview addresses neither Finnish inheritance nor gift tax consequences.

This overview is based on the tax laws of Finland as in effect and applied on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following overview is not exhaustive and does not take into account or

discuss the tax laws of any country other than Finland. It is assumed that the Issuer does not have any permanent establishment in Finland where the Securities would be issued.

Further, the tax treatment of certain categories of the Securities is not in all respects established and is, therefore, to some extent uncertain. In particular, there are no specific tax laws addressing the tax treatment of certificates in Finland, nor is there any court practice specifically available in respect of certificates.

This overview is based on the Finnish Income Tax Act (*Tuloverolaki*, 30.12.1992/1535, as amended), the Finnish Business Income Tax Act (*Laki elinkeinotulon verottamisesta*, 24.6.1968/360, as amended), the Finnish Transfer Tax Act (*Varainsiirtoverolaki*, 29.11.1996/931, as amended) and the Finnish Act on Withholding Tax on Interests (*Laki korkotulon lähdeverosta* 28.12.1990/1341, as amended). In addition, relevant case law, decisions and statements made by the tax authorities as in effect and available on the date of this Base Prospectus have been taken into account.

### 8.1 Taxation of Finnish tax resident individuals

All capital income of individuals – including capital gains – is currently taxed at a rate of 30 per cent or 33 per cent for capital income exceeding €30,000 annually. Capital losses are deductible from capital gains arising in the same year and the five following years, but not from other capital income.

#### (a) Notes

A gain arising from the disposal of the Notes (other than the redemption thereof) constitutes a capital gain for individuals. Any premium paid (i.e. the gain) at the redemption of the Notes constitutes capital income, but is likely not to be treated as capital gain. Accordingly, as capital losses are not deductible from capital income other than capital gains, it is unlikely that capital losses from other investments would be deductible from the premium paid at the redemption of the Notes.

On the other hand, a loss from the disposal of the Notes is deductible from capital gains from other investments arising during the year of disposal and the five following years and also a loss from the redemption of the Notes is likely to be deductible in a similar manner.

Any capital gain or loss is calculated by deducting the original acquisition cost (including the purchase price and costs) and sales related expenses from the sales price. Alternatively, individuals may, in lieu of applying the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 per cent of the sales price or 40 per cent of the sales price if the Notes have been held for at least ten years. If the presumptive acquisition cost is used instead of the actual acquisition cost, any sales expenses are deemed to be included therein and may, therefore, not be deducted in addition to the presumptive acquisition cost.

Upon the disposal of interest-bearing Notes, an amount corresponding to the interest for the time preceding the last interest payment date to the time of disposal of such Notes must normally first be deducted from the sales price, which amount is deemed to constitute capital income (but is not treated as capital gain). Any interest or compensation comparable to interest paid on the Notes during their respective loan period constitutes normally also capital income of the individual.

#### (b) Certificates

A gain arising from the disposal and the cash settlement of the Certificates is likely to constitute a capital gain for individuals. Similarly, a loss arising from the disposal, cash settlement or the expiration (as worthless) of the Certificates is likely to constitute a capital loss. Any capital gain or loss arising from the disposal, cash settlement or the expiration of the Certificates is, accordingly, calculated in the same manner as for the Notes.

There is a risk that any possible non-listed Certificates that do not possess such qualities that they could be listed, would not qualify for capital gains (and loss) treatment (but the income would be deemed as ordinary capital income). Losses on such Certificates may therefore be non-deductible.

## 8.2 Taxation of Finnish resident corporate entities

Any income received from the disposal and/or redemption of the Notes (including capital return) as well as any income received from the disposal or the cash settlement of the Certificates constitutes, as a general rule, part of the limited liability company's taxable business income. A limited liability company is subject to a corporate income tax, currently at the rate of 20 per cent for its worldwide taxable income.

The acquisition cost of the Notes and/or the Certificates (including the purchase price and costs) and any sales related expenses are generally deductible for tax purposes upon disposal redemption or cash settlement, as applicable. Accordingly, any loss due to the disposal or redemption of the Notes and/or the disposal, cash settlement or expiration of the Certificates is deductible from the taxable business income.

Any interest or compensation comparable to interest paid on the Notes during their respective loan period constitutes part of the limited liability company's taxable business income.

## 8.3 Withholding tax

As the Issuer is not resident in Finland for tax purposes, there is no Finnish withholding tax (*Fi. lähdevero*) applicable on payments made by the Issuer in respect of the Securities. However, Finland operates a system of preliminary taxation (*Fi. ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. In the context of the Securities, a tax of 30 per cent will be deducted and withheld from all payments (including premium payments at redemption) that are treated as interest or as compensation comparable to interest, when such payments are made by a Finnish paying agent to individuals. Such preliminary tax (*Fi. ennakonpidätys*) will be used for the payment of the individual's final taxes (i.e. they will be credited against the individual's final tax liability).

Any profits arising from the cash settlement of the Certificates would, however, based on current Finnish taxation practice, generally be considered a capital gain (as opposed to interest or compensation comparable to interest). Therefore, any payments made in respect of the cash settlement of the Certificates may normally be made without deduction or withholding for or on account of Finnish tax and should, accordingly, not be subject to any preliminary taxation (*Fi. ennakonpidätys*) by a Finnish paying agent.

## 8.4 Transfer taxation

Investors should note that Finnish transfer tax considerations may arise in connection with Securities that are settled or redeemed by way of a physical delivery of Finnish shares or other instruments deemed as securities under the Finnish Transfer Tax Act.

There is no transfer tax payable in Finland on transfers or sales of the shares admitted to trading on NASDAQ OMX Helsinki or in multilateral trading, or on a regulated market located in a member state of the EU or the EEA, or on a regulated market located in a state that has ratified the Council of Europe's and OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters, if the transfer is made against fixed pecuniary consideration. The transfer tax exemption requires that a securities broker is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market where the transfer is executed. Certain separately defined transfers are not covered by the transfer tax exemption.

If the transfer or sale of the shares does not fulfil the above criteria for a tax-exempt transfer, a transfer tax at the rate of 1.6 per cent of the sales price is payable by the buyer. However, if the buyer is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax



from the buyer. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the buyer nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is collected if the amount of the tax is less than EUR 10. Transfer tax is not payable in connection with the issuance of new shares.

## 9. French taxation

This overview is based on tax laws and taxation practice, as in effect and applied as at June 2015, and is intended to provide general information only. Tax laws, taxation practices and their interpretation are subject to constant change, and such changes may sometimes have a retroactive effect and may change the conclusions set out in this overview.

### 9.1 Transfer Tax and other taxes

The following may be relevant in connection with Securities which are settled or redeemed by way of physical delivery of French shares (or certain assimilated securities):

- (a) the disposal of French shares for consideration is, in principle, subject to a 0.1 per cent transfer tax (the "**Transfer Tax**"), provided, in the case of shares listed on a recognised stock exchange, that the transfer is evidenced by a written deed or agreement
- (b) a financial transaction tax (the "**French Financial Transaction Tax**") is imposed, subject to certain exceptions, on certain acquisitions of French shares (or certain assimilated securities) which are listed on a recognised stock exchange where the relevant issuer's stock market capitalisation exceeds EUR 1 billion (on 1 December of the previous calendar year). The French Financial Transaction Tax rate is 0.2 per cent of the acquisition price of the transaction; and
- (c) if the French Financial Transaction Tax applies to a transaction, an exemption in respect of the Transfer Tax is applicable.

### 9.2 Income tax and withholding tax

Investors in Securities who are French residents for tax purposes or who would hold such Securities through a permanent establishment or fixed base in France should be aware that transactions involving the Securities, including any purchase or disposal of, or other dealings in, the Securities, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the investor (i.e. legal entities or individuals). Investors in Securities should consult their own advisers about the tax implications of holding Securities and of any transactions involving Securities.

Pursuant to Article 125A of the French tax code, subject to certain limited exceptions, interest and other income received by French resident holders of such Securities treated as debt instruments for French tax purposes, who are individuals and who do not hold their Securities in connection with a business they carry on, is subject to a 24 per cent advance income tax, which is deductible from such holders' personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied on top of this at an aggregate rate of 15.5 per cent on interest and other income paid to such holders. If the Paying Agent is established in France, it would generally be up to the Paying Agent to withhold and report such payments (exceptions to the withholding obligation may however apply depending on level of income of the taxpayer). If the Paying Agent is established outside France, it is in principle not involved in this withholding obligation, unless it is established in an EU or EEA member state and has been expressly appointed by the French taxpayer to do so.

### 9.3 Implementation of the Savings Directive

The Savings Directive was implemented into French law under Article 242 ter of the French tax code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another member state, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## 10. Irish taxation

The following is an overview based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland, which are subject to prospective or retroactive change, of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Securities. Particular rules not discussed below may apply to certain classes of taxpayers holding Securities including dealers in securities and trusts. The overview does not constitute tax or legal advice and the comments below are of a general nature only and should be treated with appropriate caution. It does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Securities. Investors should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

### 10.1 Withholding tax

Tax at the standard rate of income tax (currently 20 per cent) is required to be withheld from payments of Irish source interest and annual payments which have their source in Ireland. The Issuer will not be obliged to withhold tax from such payments in respect of the Securities so long as such payments do not constitute Irish source income. Interest, annual payments and premium paid on the Securities may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland; or
- (b) the Issuer is not resident in Ireland but the register for the Securities is maintained in Ireland or if the Securities are in bearer form and the Securities are physically held in Ireland or payments under the Securities are derived from Irish sources or assets and/or the Securities are secured over Irish assets; or
- (c) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund payments on the Securities.

It is anticipated that (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) payments under the Securities will not be derived from Irish sources or assets; (iv) the Securities will not be secured over Irish assets; (v) bearer Securities will not be physically located in Ireland; and (vi) the Issuer will not maintain a register of any registered Securities in Ireland.

### 10.2 Encashment tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent) on any interest or annual payments paid on Securities issued by a company not resident in Ireland, where such payments are paid through or collected or realised by a bank or encashment agent in Ireland on behalf of a Holder. However, encashment tax does not apply where the Holder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### 10.3 Stamp duty

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Securities so long as the instrument of transfer of the Securities does not relate to:

- (a) any immovable property in Ireland; or

- (b) stocks or marketable securities of a company registered in Ireland (other than an investment undertaking (within the meaning of section 739B of the Taxes Consolidation Act 1997) or a qualifying company (within the meaning of section 110 of the Taxes Consolidation Act 1997)).

Stamp duty at a rate of 1% or 2% may arise on physical settlement in certain cases involving the transfers of Irish assets.

#### 10.4 Implementation of the Savings Directive

Ireland has implemented the Savings Directive into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another member state of the European Union or certain associated and dependent territories of a member state will have to provide details of the payment and certain details relating to the Holder (including the Holder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Prospective holders of Securities should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by member states prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (a) payments made through certain intermediate structures (whether or not established in a member state) for the ultimate benefit of an EU resident individual, and (b) a wider range of income similar to interest.

However, it remains uncertain if the amended version of the Savings Directive will be implemented into national law. In particular, discussions are currently ongoing at an EU level to replace the Savings Directive with an automatic exchange of information regime in compliance with the regime known as the 'Common Reporting Standard' proposed by the Organisation for Economic Co-operation and Development. If these proposals are carried out, it would result in the abolishment of the Savings Directive. It is currently proposed that the Savings Directive would be abolished from 1 January 2017.

#### 10.5 Taxation of income

Notwithstanding that a Holder may receive payments of interest, premium, discount or other income payments on the Securities free of Irish withholding tax, the Holder may still be liable to pay Irish income or corporation tax (and potentially, in the case of individuals, the universal social charge) on such payments of income if (a) the Holder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there may also be a social insurance (PRSI) liability for an individual in receipt of payments of income on the Securities), or (b) the Securities are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

As the Issuer is a bank which is resident in the United Kingdom, in cases where the Securities are not listed on a stock exchange, the Securities may be taxed in accordance with the provisions of section 267M of the Taxes Consolidation Act 1997 when held by individuals who are resident or ordinarily resident in Ireland.

#### 10.6 Capital gains tax

If a gain is realised on the disposal of the Securities by a Holder of the Securities who is resident or ordinarily resident in Ireland, the Holder of the Securities may be liable to Irish capital gains tax at a rate of 33%.

#### 10.7 Capital acquisitions tax

A gift or inheritance comprising Securities will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 33 per cent) if

either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland) or (ii) if the Securities are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years preceding the year of assessment in which that gift or inheritance is made, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer instruments are generally regarded as situated where they are physically located at any particular time. Securities in registered form may be regarded as property situate in Ireland if the Issuer has a residence in Ireland or, potentially, the register of the Securities is in Ireland. Accordingly, if Irish situate Securities are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

## 11. Italian taxation

### 11.1 Italian taxation – Notes

The following is an overview of current Italian law and practice relating to the taxation of Securities that take the form of notes. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis and assumes that the Notes are issued on or after 1 July 2014. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Investors in the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

This overview does not describe the tax consequences for an investor with respect to Notes that will be redeemed by physical delivery. This overview does not describe the tax consequences for an investor with respect to Notes that provide payout linked to the profits of the Issuer, profits of another company in the group or profits of the investment in relation to which they are issued. Investors are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of yield, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

The following overview does not analyse the tax issues that may arise in case of substitution of the Issuer (as provided in General Condition 28 (*Substitution (Securities other than French Securities)*) in the Terms and Conditions of the Securities).

This overview assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy and that it has no permanent establishment within the Italian territory.

#### **Tax treatment of Notes qualifying as debentures similar to bonds**

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**"), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as debt instruments that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for any other periodic payment) and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control over the management.

*Italian resident investor*

Where an Italian resident investor is: (a) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the *risparmio gestito* regime where applicable – see 'Capital Gains Tax' below) (a "**Non-entrepreneurial Investor**"); (b) a non-commercial partnership pursuant to Article 5 of Presidential Decree No. 917 of 22 December 1986, the Italian Income Consolidated Code ("**TUIR**") (with the exception of general partnership, limited partnership and similar entities); (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (altogether from (a) to (d), including the Non-entrepreneurial Investor, a "**Non-commercial Resident Investor**" of the Notes) interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. In the event that the investor described under (a) and (c) above is engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the final income tax due by the relevant investor.

Where an Italian resident investor is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant investor's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per cent) and, in certain circumstances, depending on the 'status' of the investor, also to the regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.90 per cent, but regional surcharges may apply).

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (subject to the regime provided for by Law No. 77 of 23 March 1983, a "**Fund**") or a SICAV, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva* but must be included in the management result of the Fund or the SICAV. The Fund or SICAV will not be subject to taxation on such result, but a withholding tax at the rate of 26 per cent will be levied on proceeds distributed by the Fund or the SICAV to certain categories of unitholders upon redemption or disposal of the Units. The same tax regime applies to payments of interest made to an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Where an Italian resident investor is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent substitute tax applicable to Italian pension funds, as increased by Law No. 190 of 23 December 2014.

Italian real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14 *bis* of Law No. 86 of 25 January 1994 are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent. on distributions made by real estate investment funds. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each, an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must: (i) be: (a) resident in Italy; or (b) resident outside Italy, with a permanent establishment in Italy; or (c)

an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to an investor. If interest and other proceeds on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) of the seventh paragraph above will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26 per cent.

#### *Non-Italian resident investor*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident investor of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident investor declares itself to be a non-Italian resident according to Italian tax regulations.

### **Capital gains tax**

#### *Italian resident investor*

According to Article 67 of TUIR and Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**"), as subsequently amended, where the Italian resident investor is a Non-commercial Resident Investor, capital gains accrued under: (i) the sale of Securities falling within the category of instruments similar to bonds under TUIR; or (ii) the sale or the redemption of the Notes which may be qualified as derivative securities, are subject to a 26 per cent substitute tax (*imposta sostitutiva*).

The Non-entrepreneurial Investor may opt for three different taxation criteria:

- (a) under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Non-entrepreneurial Investors, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any off-settable capital loss, realised by Non-entrepreneurial Investors pursuant to all sales or redemptions of the Notes carried out during any given tax year. Non-entrepreneurial Investors must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Under Law Decree No. 66/2014 capital losses can be carried forward against capital gains realised as of 1 July 2014 (i) for 48.08 per cent of their amount, if the losses were realised until 31 December 2011; or (ii) for 76,92 per cent of their amount, if the losses were realised between 1 January 2012 and 30 June 2014;
- (b) as an alternative to the tax declaration regime, Non-entrepreneurial Investors may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime provided for by Article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant investor. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to

pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the investor or using funds provided by the investor for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under Law Decree No. 66/2014 capital losses can be carried forward against capital gains realised as of 1 July 2014: (i) for 48.08 per cent of their amount, if the losses were realised until 31 December 2011; or (ii) for 76.92 per cent. of their amount, if the losses were realised between 1 January 2012 and 30 June 2014. Under the *risparmio amministrato* regime, the investor is not required to declare the capital gains in the annual tax return; or

- (c) any capital gains realised or accrued by Non-entrepreneurial Investors who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (regime provided for by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against an increase in value of the managed assets accrued in any of the four succeeding tax years. Under Law Decree No. 66/2014, depreciation of the managed assets accrued as of 30 June 2014 and not yet compensated can be carried forward against an increase in value of the managed assets accrued as of 1 July 2014: (i) for 48.08 per cent of its amount, if accrued until 31 December 2011; or (ii) for 76.92 per cent of its amount, if the registered between 1 January 2012 and 30 June 2014. Under the *risparmio gestito* regime, the investor is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident investor is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Notes are effectively connected, capital gains arising from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant investor's income tax return and are therefore subject to IRES and, in certain circumstances, depending on the 'status' of the investor, also to IRAP as a part of the net value of production.

Any capital gains realised by an investor which is a Fund or a SICAV will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund or SICAV, but a withholding tax at the rate of 20 per cent will be levied on proceeds distributed by the Fund or the SICAV to certain categories of unitholders upon redemption or disposal of the units. The same tax regime applies to capital gains realized by an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an investor which is an Italian pension fund (subject to the regime provided by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent substitute tax applicable to Italian pension funds, as increased by Law No. 190 of 23 December 2014.

Any capital gains realised by an Italian real estate fund created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14 *bis* of Law No. 86 of 25 January 1994 shall not be subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. The same tax regime applies to capital gains realized by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

*Non-Italian resident investor*

Capital gains realised by a non-Italian resident beneficial owner are not subject to Italian taxation provided that the Notes: (i) are transferred on regulated markets; or (ii) if not transferred on regulated markets, are held outside Italy. Moreover, even if the Notes are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a country which recognises the Italian tax authorities' right to an adequate exchange of information or in a country which entered into a double taxation treaty with Italy allowing for the taxation of such capital gains only in the residence country of the recipient investor, provided that the relevant procedures and conditions are met.

**Tax treatment of Notes qualifying as atypical notes**

Notes that cannot be qualified as instruments similar to bonds under TUIR could be considered 'atypical' notes pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Notes may be subject to an Italian withholding tax, levied at the rate of 26 per cent.

If the Notes are placed (*collocati*) in Italy, the withholding is levied by the Italian intermediary appointed by the Issuer intervening in the collection of the relevant income or in the negotiation or repurchasing of the Notes. If the Notes are not placed (*collocati*) in Italy or in any case where payments on the Notes are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Notes, in the repurchase or in the negotiation thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual noteholder may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of the payments; if so, the noteholder should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

The 26 per cent withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Notes and to an Italian resident holder of the Notes which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution. In such cases the relevant income arising from the Notes shall be reported in the investor's income tax return.

**Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, the transfers of any valuable assets (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent on the value of the inheritance or the gift exceeding EUR 1,000,000 for each beneficiary;
- (b) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000 for each beneficiary; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of value that exceeds EUR 1,500,000.

Moreover, an anti-avoidance rule is provided in case of gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta*



sostitutiva provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Notes for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarised deeds are subject to fixed registration tax at a rate of EUR 200; and (b) private deeds are subject to registration tax only in case of use or voluntary registration.

### **Stamp duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries carrying out their business activity within the Italian territory to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.2 per cent and, for taxpayers other than individuals, it cannot exceed EUR 14,000, this stamp duty is determined annually on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. In case of reporting periods of less than 12 months, the stamp duty is pro-rated.

### **Wealth tax on Notes deposited abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent for each year.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the state where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Italian Financial Transaction Tax**

Law No. 228 of 24 December 2012 (the "**Stability Law**") introduced a fixed levy Italian Financial Transaction Tax ("**FTT**") that applies to all transactions involving equity derivatives which have Italian shares, Italian equity-like instruments or Italian equity-related instruments as their underlying assets. An equity derivative is subject to the FTT if the underlying or reference value constitutes more than 50 per cent of the market value of Italian shares, Italian equity-like instruments or Italian equity-related instruments. The FTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy. The FTT on derivative trades also applies to transactions in bonds and debt securities which allow the acquisition or the transfer of the financial instruments referred to above and which do not entail an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. The amount of tax due depends on the type of derivative instrument and on the contract's value, but is subject to a maximum of EUR 200. This FTT is reduced to 1/5 of the relevant amount if the transfer takes place on a regulated market or multilateral trading system.

Notes could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) are not included in the scope of the FTT.

The FTT on derivative instruments is due from each party involved in the relevant transaction. The FTT must be paid and accounted for to the Italian tax authorities by any intermediary intervening in any way in the execution of such transactions, e.g. banks, fiduciary companies or investment firms licensed to provide investment services on a professional basis to the public in accordance with Article 18 of Italian Legislative Decree No. 58 of 24 February 1998, including non-Italian resident intermediaries. However, the

intermediary is permitted to refrain from executing the relevant transaction until they have received from the relevant person referred to above the amount of FTT due on the transaction. In terms of compliance with the FTT, non-Italian resident intermediaries may: (a) fulfil all the relevant obligations through their Italian permanent establishment, if any; (b) appoint an Italian withholding agent as a tax representative; or (c) identify themselves by filing a request with the Italian Tax Administration for an Italian tax code. In the event that several financial intermediaries are involved, the obligation to make payment of the FTT to the Italian tax authorities falls on the party that directly receives the transaction order from the parties. If no intermediary is involved in a transaction, the relevant parties referred to above must pay the FTT due directly to the Italian tax authorities.

If a derivative is equity-settled, the consequent share transaction is ordinarily subject to the FTT on equity transactions (i.e. a stamp-duty-like FTT of 0.2 per cent on the transfer of shares and other equity-like instruments issued by Italian resident entities).

Some exemptions and exclusions may apply.

### **Tax monitoring obligations**

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes, the amount of Notes held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, Notes are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required with respect to Notes deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, provided that the same intermediaries apply a withholding tax or *imposta sostitutiva* on any income derived from the Notes.

### **Implementation of the Savings Directive**

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another member state, Italian-qualified paying agents shall not apply the withholding tax and shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients, payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member states are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

## **11.2 Italian taxation – Certificates**

The following is an overview of current Italian law and practice relating to the taxation of Securities that take the form of Certificates. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis and assumes that the Securities are issued on or after 1 July 2014. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be

subject to special rules. Investors in the Certificates are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of Certificates.

This overview does not describe the tax consequences for an investor with respect to Certificates that will be redeemed by physical delivery. This overview does not describe the tax consequences for an investor with respect to Certificates that provide payout linked to the profits of the Issuer, profits of another company in the group or profits of the investment in relation to which they are issued. Investors are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Certificates and receiving payments of yield, principal and/or other amounts under Certificates, including in particular the effect of any state, regional or local tax laws.

This overview assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy and that it has no permanent establishment within the Italian territory.

### Securitised derivatives

Pursuant to the generally followed interpretation, if the Certificates qualify as securitised derivatives, where the Italian resident investor is: (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected; (ii) a non-commercial partnership, pursuant to Article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities); (iii) a non-commercial private or public institution; or (iv) an investor exempt from Italian corporate income taxation (a Non-commercial Resident Investor, as defined above, in the Certificates), capital gains realised under the sale or the exercise of Certificates are subject to a 26 per cent substitute tax (*imposta sostitutiva*) (Article 67 of TUIR and Decree No. 461).

The Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected (a Non-entrepreneurial Investor, as defined above) may opt for three different taxation criteria:

- (a) under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Non-entrepreneurial Investors, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any off-settable capital loss, realised by Non-entrepreneurial Investors pursuant to all sales or redemptions of Certificates carried out during any given tax year. Non-entrepreneurial Investors must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Under Law Decree No. 66/2014 capital losses can be carried forward against capital gains realised as of 1 July 2014: (i) for 48.08 per cent of their amount, if the losses were realised until 31 December 2011; or (ii) for 76.92 per cent of their amount, if the losses were realised between 1 January 2012 and 30 June 2014;
- (b) as an alternative to the tax declaration regime, Non-entrepreneurial Investors may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of Certificates (the '*risparmio amministrato*' regime provided for by Article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express valid election for the '*risparmio amministrato*' regime being punctually made in writing by the relevant investor. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the investor or using funds provided by the investor for this purpose. Under the '*risparmio*

*amministrato*' regime, where a sale or redemption of Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under Law Decree No. 66/2014 capital losses can be carried forward against capital gains realised as of 1 July 2014: (i) for 48.08 per cent of their amount, if the losses were realised until 31 December 2011; or (ii) for 76,92 per cent of their amount, if the losses were realised between 1 January 2012 and 30 June 2014. Under the '*risparmio amministrato*' regime, the investor is not required to declare the capital gains in the annual tax return; or

- (c) any capital gains realised or accrued by Non-entrepreneurial Investors who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have validly opted for the so-called '*risparmio gestito*' regime (regime provided for by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under Law Decree No. 66/2014, depreciation of the managed assets accrued as of 30 June 2014 and not yet compensated can be carried forward against increase in value of the managed assets accrued as of 1 July 2014 (i) for 48.08 per cent of its amount, if accrued until 31 December 2011; or (ii) for 76.92 per cent of its amount, if the registered between 1 January 2012 and 30 June 2014. Under the *risparmio gestito* regime, the investor is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident investor is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant investor's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the 'status' of the investor, also form part of the net value of production for IRAP purposes.

Any capital gains realised by an investor which is a Fund (as defined above) or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV, but a withholding tax at the rate of 26 per cent will be levied on proceeds distributed by the Fund or the SICAV to certain categories of unitholders upon redemption or disposal of the units. The same tax regime applies to capital gains realised by an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an investor which is an Italian pension fund (subject to the regime provided by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent substitute tax applicable to Italian pension funds, as increased by Law No. 190 of 23 December 2014.

Any capital gains realised by an Italian real estate fund created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1994 and Article 14 *bis* of Law No. 86 of 25 January 1994 shall not be subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by real estate investment funds. The same tax regime applies to capital gains realized by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Capital gains realised by a non-Italian resident beneficial owner are not subject to Italian taxation provided that Certificates (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy. Moreover, even if the Certificates are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a country which recognises the Italian tax authorities' right to an adequate

exchange of information or in a country which entered into a double taxation treaty with Italy allowing for the taxation of such capital gains only in the residence country of the recipient investor, provided that the relevant procedures and conditions are met.

In accordance with a different interpretation of current tax law, it is possible that Certificates would be considered as 'atypical securities' pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to the tax treatment applicable to the 'atypical Securities' as indicated below.

#### *Atypical Securities*

Payments relating to atypical securities may be subject to an Italian withholding tax levied at the rate of 26 per cent.

The 26 per cent withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificates and to an Italian resident holder of the Certificates which is: (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities); (ii) a commercial partnership; or (iii) a commercial private or public institution.

If the Certificates are placed (*collocati*) in Italy, the withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Certificates. If the Certificates are not placed (*collocati*) in Italy or in any case where payments on the Certificates are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Certificates, in the repurchase or in the negotiation thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual noteholder may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of the payments; if so, the noteholder should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

#### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent on the value of the inheritance or the gift exceeding EUR 1,000,000 for each beneficiary;
- (b) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000 for each beneficiary; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of value that exceeds EUR 1,500,000.

Moreover, an anti-avoidance rule is provided in case of gift of assets, such as the Securities, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Notes for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarised deeds are subject to fixed registration tax at a rate of EUR 200; and (b) private deeds are subject to registration tax only in case of use or voluntary registration.

### **Stamp duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business within the Italian territory, to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.2 per cent and, for taxpayers other than an individuals, it cannot exceed EUR 14,000; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. In case of reporting periods of less than 12 months, the stamp duty is pro-rated.

It may be understood that the stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the Notes are held with an Italian-based financial intermediary.

### **Wealth tax on securities deposited abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent for each year.

This tax is calculated on the market value of the Certificates at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Italian financial transaction tax depending on the features of the Certificates**

The Stability Law introduced a fixed levy Italian Financial Transaction Tax ('FTT') that applies to all transactions involving equity derivatives which have Italian shares, Italian equity-like instruments or Italian equity-related instruments as their underlying assets. An equity derivative is subject to the FTT if the underlying or reference value constitutes more than 50 per cent of the market value of Italian shares, Italian equity-like instruments or Italian equity-related instruments. The FTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy. The FTT on derivative trades also applies to transactions in bonds and debt securities which allow the acquisition or the transfer of the financial instruments referred to above and which do not entail an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. The amount of tax due depends on the type of derivative instrument and on the contract's value, but is subject to a maximum of Euro 200. This FTT is reduced to 1/5 of the relevant amount if the transfer takes place on a regulated market or multilateral trading system.

Certificates could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, Certificates falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) are not included in the scope of the FTT.

The FTT on derivative instruments is due from each party involved in the relevant transaction. The FTT must be paid and accounted for to the Italian tax authorities by any intermediary intervening in any way in the execution of such transactions, e.g. banks, fiduciary companies or investment firms licensed to provide investment services on a professional basis to the public in accordance with Article 18 of Italian Legislative Decree No. 58 of 24 February 1998, including non-Italian resident intermediaries. However, the

intermediary is permitted to refrain from executing the relevant transaction until they have received from the relevant person referred to above the amount of FTT due on the transaction. In terms of compliance with the FTT, non-Italian resident intermediaries may (a) fulfil all the relevant obligations through their Italian permanent establishment, if any; (b) appoint an Italian withholding agent as a tax representative; or (c) identify themselves by filing a request with the Italian Tax Administration for an Italian tax code. In the event that several financial intermediaries are involved, the obligation to make payment of the FTT to the Italian tax authorities falls on the party that directly receives the transaction order from the parties. If no intermediary is involved in a transaction, the relevant parties referred to above must pay the FTT due directly to the Italian tax authorities.

If a derivative is equity-settled, the consequent share transaction is ordinarily subject to the FTT on equity transactions (i.e. a stamp-duty-like FTT of 0.2 per cent on the transfer of shares and other equity-like instruments issued by Italian resident entities).

Some exemptions and exclusions may apply.

### **Tax monitoring obligations**

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes: the amount of Certificates held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, Certificates are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required with respect to Certificates deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, provided that the same intermediaries apply a withholding tax or imposta sostitutiva on any income derived from the Certificates.

### **Implementation of the Savings Directive**

Italy has implemented the Savings Directive through Decree No. 84. Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another member state, Italian-qualified paying agents shall not apply the withholding tax and shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients, payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member states are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

## **12. Luxembourg taxation**

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

### **12.1 Withholding tax and self-applied tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain Luxembourg resident individual holders or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid

interest), nor upon repayment of principal in case of reimbursement, redemption, repurchase or exchange.

(a) **Luxembourg non-resident individuals**

Under the Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU, a Luxembourg-based paying agent (within the meaning of the Laws) is required since 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income (and defined as interest by the Laws) paid by it to (or under certain circumstances, to the benefit of) an individual or certain 'residual entities' resident or established in another member state or in certain EU dependent or associated territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg Tax Authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Laws). 'Residual entities' within the meaning of Article 4.2 of the Savings Directive are entities established in a member state or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for business taxation, and which are not and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The investors should also note that the European Council formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. It will in particular enlarge the scope of the Savings Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities' requirements to be complied with. The member states will have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive.

In addition, the Council of the European Union adopted on 9 December 2014 amendments to the Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**DAC**"), which provide for a mandatory automatic exchange of information for additional types of income and account balances.

Due to the overlap between the Savings Directive, as amended by the Amending Directive, and the DAC, there is a proposal to repeal the Savings Directive.

(b) **Luxembourg resident individuals**

In accordance with the law of 23 December 2005, as amended (the "**2005 Law**") on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or for the exchange of information regime) are subject to a 10 per cent withholding tax in full discharge of income tax. The Luxembourg-based paying agent is responsible for retaining the withholding tax.

Pursuant to the 2005 Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU member state other than Luxembourg, a



member state of the European Economic Area other than an EU member state or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

### 13. Maltese taxation

This commentary is of a general nature based on current Maltese tax law and is an overview of the understanding of current law and practice in Malta relating only to certain aspects of Maltese taxation without purporting to be an exhaustive and comprehensive description of all Maltese tax considerations that could be relevant for the holders of Securities and which may be relevant to a decision to purchase, own or dispose of any Securities. It does not take into account any developments or amendments enacted after the date of this Base Prospectus, whether or not such developments or amendments have retroactive effect. Investors should consult their professional advisers regarding their tax status.

#### 13.1 General principles on jurisdiction to tax

In the case of persons being both domiciled and ordinarily resident in Malta, income tax is charged on their worldwide income, including specified capital gains. Persons who are ordinarily resident in Malta but not domiciled in Malta, or domiciled in Malta but not ordinarily resident, are not taxable in Malta on a worldwide basis but are taxable only on Maltese source income and certain capital gains and on foreign source income received/remitted to Malta (except for capital gains that arise outside of Malta, even if received in Malta). These rules are subject to any double taxation treaty provisions which may apply in the particular circumstances in terms of Malta's double taxation treaties currently in force. In this commentary, reference will be made to the double taxation treaty currently in force between the United Kingdom and Malta, but other double taxation treaties may apply depending on the circumstances.

In general, the income tax rate for income and capital gains currently stands at 35 per cent for companies (as defined in the Maltese Income Tax Act (Cap. 123 of the laws of Malta) (the "ITA") and varies between 0 per cent and 35 per cent for other persons. However, income and gains falling within the definition of 'investment income' pursuant to the ITA may be charged with a final withholding tax of 15 per cent subject to the satisfaction of certain statutory conditions (see below).

##### (a) Interest

Malta is entitled to tax interest income in terms of the double taxation treaty between Malta and the United Kingdom (the "Malta-UK DTT"):

##### (i) Provisions under the Malta-UK DTT

Article 11 of the Malta-UK DTT provides that interest arising in a contracting state and paid to a resident of the other contracting state may be taxed in that other contracting state. Hence, in terms of the above, Malta, being the country where the investor would be resident, has the right to tax such interest income. It should be noted that the Malta-UK DTT provides that the tax charged in the country where the interest arises cannot exceed 10 per cent of the gross amount of such interest, provided that the investor is the beneficial owner thereof and is subject to tax thereon in the other contracting state.

##### (ii) Provisions under Maltese domestic tax law

The Maltese income tax treatment of any interest income derived from the Securities depends on whether such income falls within the definition of 'investment income' under the ITA. The ITA exhaustively lists the categories of investment income which qualify as investment income for Maltese tax purposes.

'Investment income' as defined under the ITA includes, 'interest, discounts or premiums payable in respect of a public issue by a company, entity or other legal person howsoever constituted and whether resident in Malta or otherwise'.

Investment income paid to a recipient (as defined) is subject to a 15 per cent final withholding tax, unless the recipient elects to be paid the investment income without deduction of the final withholding tax.

In order for the said 15 per cent final withholding tax to be applicable, the investment income must be received by a 'recipient', as defined under the ITA and must be paid by a 'payor', as defined under the ITA. According to this definition, a recipient is a person who is resident in Malta during the year in which investment income is payable to him (the definition specifically excludes banks and insurance companies as well as other companies which may be owned and controlled, directly or indirectly, by such banks and insurance companies) or a receiver, guardian, tutor, curator, judicial sequestrator or committee acting on behalf of such person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever is paid or applied for the benefit of such person. Collective investment schemes registered in Malta are excluded from the remit of this definition with the exception of those schemes holding a classification as 'prescribed funds' in terms of Maltese law and receiving investment income not paid by another collective investment scheme. In such a case, special rules apply and recipients should seek advice accordingly.

'Payor' is defined as the person who is liable to or makes the payment of the investment income.

In terms of current Maltese tax practice, the payment of the 15 per cent final withholding tax has to be effected through an authorised financial intermediary licensed in Malta, i.e. the Maltese authorised financial intermediary has the obligation to collect and forward such withholding tax to the Maltese Revenue.

Where the withholding tax has been applied (i.e. the recipient has not opted to be paid gross) the tax is a final tax and the recipient need not declare the investment income in their income tax return, and will not be subject to further tax on such income. The tax withheld will not be available for credit against that person's tax liability or for a refund, as the case may be.

As noted above, the Maltese resident holder of Securities may opt to receive the interest income without deduction of withholding tax. In this case, such person will be obliged to declare the interest income on the income tax return and will be subject to tax on such interest income at the standard rates of tax applicable to that person at the time the interest income is received by the holder.

Unless an election to be paid interest income without deduction of withholding tax is made, interest will be paid by the payor net of the 15% final withholding tax. An election is to be made in writing by the holder of the Note to the payor.

A recipient being a prescribed fund may not elect to receive the interest due without deduction of the withholding tax. In such cases, the investment income will be paid to the recipient net of a deduction of 10% final withholding tax.

Where a recipient benefits from the 15% rate and the recipient suffers foreign tax (whether directly or by way of withholding) no relief for double taxation would be available, furthermore, the 15% final withholding tax will be determined on the gross income (i.e. prior to deducting the foreign tax).

**(b) Capital gains**

This part refers only to investors who do not deal in securities in the course of their trading activity and if the Securities in question represent a 'capital asset'. Hence the redemption or disposal of such Securities should result in a capital gain and not a gain arising out of a trading activity (which would otherwise be taxable as business profits) for Maltese tax purposes.

**(i) Provisions under the Malta-UK DTT**

In terms of the Malta – UK DTA Malta has, subject to the terms and conditions set out in the said treaty, the exclusive right to tax capital gains realised on the transfers of the Notes if the alienator is a resident of Malta. The United Kingdom may also tax such gains if the transferor of the securities is an individual who was resident in that country throughout the five years preceding the transfer of the said securities.

(ii) *Provisions under Maltese domestic tax law*

According to Maltese tax law, only those capital gains as specified in the ITA are subject to income tax in Malta. The provisions regulating capital gains provide for a definition of 'securities' as follows: 'shares and stocks and such like instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return'. If the particular Securities do not fall within the above-quoted definition, the capital gain arising on their redemption or disposal should not be subject to Maltese tax. In case the particular Securities fall within the definition of 'securities' as quoted above, capital gains realised by a Maltese resident and domiciled holder on the redemption or disposal of the Securities should be subject to Maltese income tax.

Where the Securities satisfy the definition of 'securities' any gain derived from their redemption or disposal is subject to tax in the hands of Maltese resident and domiciled persons. In this case the applicable tax rate is dependent on whether the capital gain qualifies as 'investment income', which includes 'capital gains arising on the redemption, liquidation or cancellation of securities ... not being shares in a company'. On the assumption that the Securities should not represent 'shares in a company' as required by the said provision of the law, the capital gain, if any, arising on the redemption of the Securities should qualify as 'investment income' in terms of the aforesaid provision. In this case, chargeable capital gains may be subject to a final withholding tax of 15 per cent.

The same considerations outlined in respect of 'interest' regarding the applicability (and other features) of the 15 per cent final withholding tax also apply in this case. Similarly, the holder will have the option to receive the capital gains without deduction of a withholding tax, in which case the holder would be required to disclose the capital gain in the relevant tax return and charge it to tax at the standard rate of tax applicable to that person at the time of redemption of the Securities. Since the applicable law only regards as investment income capital gains derived from 'redemption, liquidation or cancellation' of the Securities, any capital gain derived from any other method of disposal of the Notes would normally be taxable at the applicable tax rate(s).

Capital gains derived from the alienation of the Notes by persons who though resident are not domiciled in Malta should not be subject to tax in Malta since the gain arises outside of Malta as the issuer is not resident in Malta.

### 13.2 Non-residents

Assuming that (i) the investor would not be a Maltese resident or domiciled person for tax purposes, and (ii) the interest income or capital gains would not represent income or gains arising in Malta and any interest income would not be received in Malta, and (iii) the Securities would not form part of the business property of the holder's Maltese permanent establishment, no Maltese income tax liability should arise pursuant to Maltese tax law.

(a) **Duty on documents and transfers (stamp duty)**

The Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta) charges duty on transfers of 'marketable securities'. Marketable securities' are defined as including any share, stock, debenture, bond and any interest in any company or corporation and any document representing the same. A redemption of securities should not be covered by the term 'transfer' according to Maltese stamp duty legislation

and should therefore not be chargeable to Maltese stamp duty. Hence the Maltese stamp duty considerations under this part should be relevant in case a disposal (direct transfer) of the Securities occurs.

Maltese stamp duty is chargeable at the rate of €2 for every €100 or part thereof in respect of the amount or value of the consideration or the real value of the 'marketable security', whichever is the higher.

However, if the issuer, the transferor or the transferee has in place a valid stamp duty exemption determination issued by the Maltese Inland Revenue Department, any acquisitions or disposals of 'marketable securities' issued by the issuer should be exempt from Maltese stamp duty if such an exemption determination continues to be in place until the time that any disposal of the Securities occurs and as long as the issuer does not own, directly or indirectly, immovable property in Malta. Other stamp duty exemptions are available in the case of foreign marketable securities subject to satisfaction of certain conditions.

**(b) Implementation of the Savings Directive**

Malta has implemented the Directive of 3 June, 2003 adopted by the Council of the European Communities on the taxation of savings income in the form of interest payments (2003/48/EC) (the "**Savings Directive**") into Maltese domestic legislation in terms of Legal Notice 267 of 2004 (as amended). If any of the payments derived from the Securities fall within the purport of the Savings Directive, the country of the Issuer or paying agent would have to determine whether any exchange of information requirements would apply or whether any foreign (non-Maltese) withholding tax would apply on such payments.

In the case where there is a Maltese paying agent, and the recipient is non-Maltese, the said agent has the obligation to report information to the competent authority in Malta (being the Commissioner for Revenue) in line with the provisions of the Savings Directive.

All paying agents in Malta must register for the purposes of the Savings Directive with the Inland Revenue Department. This means that both paying agents who pay interest income directly to beneficial owners and paying agents who receive income on behalf of the beneficial owners are to be registered with the Inland Revenue Department.

The Commissioner for Revenue may, when and as often as he deems necessary, give notice in writing to any paying agent to furnish, within a reasonable time stated in the notice, not being less than 14 days, such information (including copies of any relevant books, documents or other records) which the Commissioner for Revenue may deem necessary in order to determine that the information reported by the said paying agent was correct and complete. The said paying agent required to furnish such information must make available all the documents in his possession or under his control as required by the Commissioner for Revenue.

The minimum amount of information concerning interest payments to be reported by Maltese paying agents should be the following:

- (i) the identity and residence of the beneficial owner;
- (ii) the name and address of the paying agent;
- (iii) the account number of the beneficial owner or, where there is none, identification of the debt claim giving rise to the interest; and
- (iv) information concerning the interest payment.

Investors should note that the European Council has adopted amendments to the Savings Directive to be implemented by EU member states by January 2016. The amendments, *inter alia*, extend the scope of the Savings Directive to (A) payments

made through certain intermediate structures (whether or not established in a member state) for the ultimate benefit of an EU resident individual, and (B) a wider range of income similar to interest.

#### 14. Norwegian taxation

The following is an overview of the Norwegian withholding tax treatment of the Securities. The overview is based on Norwegian tax laws and practice as at the date of this document. The Norwegian tax treatment of the Securities may become subject to any changes in law and/or practice which could be made on a retroactive basis.

This overview is intended to provide general information only and is limited to the question of whether there is withholding tax payable on the Issuer's payment of interest to holders of Securities. The tax treatment of each individual holder can depend on the holder's specific situation, and this overview does not purport to deal with the withholding tax consequences applicable to all categories of investors, some of which may be subject to special rules. It is recommended that investors consult their own tax advisers for information with respect to the overall tax consequences that may arise as a result of holding and disposition of the Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

Payments of interest are not subject to any withholding tax in Norway. If the amount that is payable on a Security is determined by reference to dividends that are paid or declared with respect to Norwegian shares, such payments may be subject to withholding tax in Norway. The rate of Norwegian withholding tax is 25%, unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. Corporate investors resident within the EEA are exempt from Norwegian withholding tax, provided such corporate investors are actually established and carrying on genuine economic activity within the EEA.

#### 15. Portuguese taxation

The following is an overview of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the Securities. The statements do not deal with other Portuguese tax aspects regarding the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Holders who are in any doubt as to their tax position should consult their own professional advisers.

##### 15.1 Certificates

As a rule, the income arising from Certificates is qualified as capital gains for Portuguese tax purposes. However, the positive difference, if any, between a minimum guaranteed amount and the subscription price of the Certificates is qualified as investment income subject to income tax in Portugal.

##### (a) Personal income tax

###### Capital gains

Considering the Securities do not guarantee a minimum income to the investors, any income arising therefrom qualifies under Portuguese tax law as a capital gain.

The annual positive balance arising from the difference between capital gains and capital losses resulting from transactions in connection with the Certificates will be currently taxed at the special tax rate of 28 per cent, unless the individuals resident in Portugal elect to include the income in their taxable income, subject to tax at progressive rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (i) 2.5 per cent on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (ii) 5 per cent on the remaining part (if any) of the taxable income exceeding EUR 250,000. Also, if the option of income aggregation is chosen, an

additional surcharge at the rate of 3.5 per cent will be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage.

There is no Portuguese withholding tax on capital gains.

**(b) Corporate income tax**

**Capital gains**

Capital gains obtained by Portuguese corporate resident entities regarding Certificates will be included in their taxable income and are subject to a 21 per cent tax rate, which may be subject to a municipal surcharge (*derrama municipal*) of up to 1.5 per cent, over the Certificate holders' taxable profits. A State Surcharge (*derrama estadual*) rate of 3 per cent will be due on the part of the taxable profits exceeding EUR 1,500,000 up to EUR 7,500,000 and 5 per cent on the part of the taxable profits exceeding EUR 7,500,000 up to EUR 35,000,000 and 7 per cent on the part of the taxable profits exceeding EUR 35,000,000.

There is no Portuguese withholding tax on capital gains.

**15.2 Notes**

**(a) Personal income tax**

**(i) Investment income**

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Notes are designated as investment income for Portuguese tax purposes. If the payment of interest or other types of investment income is made available to Portuguese resident individuals through a Portuguese resident entity or a Portuguese branch of a non-resident entity, withholding tax applies at a rate of 28 per cent, which is the final tax on that income unless the individual elects for aggregation to his taxable income, subject to tax at progressive rates of up to 48 per cent. In this case, the tax withheld is deemed a payment on account of the final tax due. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR 80,000 as follows: (A) 2.5 per cent on the part of the taxable income exceeding EUR 80,000 up to EUR 250,000 and (B) 5 per cent on the remaining part (if any) of the taxable income exceeding EUR 250,000. Also, if the option of income aggregation is chosen, an additional surcharge at the rate of 3.5 per cent will be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage. However, interest paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent, unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

If the interest on the Notes is not received through an entity located in Portugal, it is not subject to Portuguese withholding tax, but an autonomous taxation rate of 28 per cent will apply, unless an option for aggregation is made, subject to the above-referred progressive tax rates and also to the above-referred additional income tax rate and the additional surcharge.

**(ii) Capital gains**

Capital gains obtained by Portuguese resident individuals on the transfer of the Notes are taxed at a rate of 28 per cent levied on the positive difference between the capital gains and capital losses of each year, unless an option for aggregation is made, subject to the above-referred progressive tax rates and also to the above-referred additional income tax rate and the additional surcharge.

There is no Portuguese withholding tax on capital gains.

(b) **Corporate income tax**

**Investment income and capital gains**

Interest and other investment income derived from the Notes, and capital gains obtained from the transfer of the Notes by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable, are included in their taxable profits and are subject to a 21 per cent tax rate, to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent of the taxable income. A State Surcharge (*derrama estadual*) rate of 3 per cent will be due on the part of the taxable profits exceeding EUR 1,500,000 up to EUR 7,500,000, 5 per cent on the part of the taxable profits exceeding EUR 7,500,000 up to EUR 35,000,000 and 7 per cent on the part of the taxable profits exceeding EUR 35,000,000.

There is no Portuguese withholding tax on capital gains.

**15.3 Implementation of the Savings Directive**

Portugal has implemented the Savings Directive into Portuguese law through Decree – Law No. 62/2005 of 11 March 2005 (as amended from time to time).

**16. Spanish taxation**

The following is a general description of the Spanish withholding tax treatment and indirect taxation of payments under the Securities. The statements herein regarding Spanish taxes and withholding taxes in Spain are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Spain or elsewhere, which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of Spain. This overview regarding Spanish taxes and withholding taxes in Spain is made assuming that the Issuer does not act through a permanent establishment in Spain, and is based upon Spanish law, as well as administrative interpretations, as in effect on the date of this Base Prospectus, which may change at any time, possibly with retrospective effect.

**16.1 Personal Income Tax ("PIT")/Corporate Income Tax ("CIT")/Non Resident Income Tax ("NRIT")**

(a) **Spanish resident individuals**

(i) *Interest payments under Securities*

Income earned by Spanish resident individuals under Securities should qualify as interest payments. In general, interest payments obtained by Spanish resident individuals should be subject to withholding tax at 20 per cent in 2015 and 19 per cent as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding the above, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, interest payments under Securities should be only subject to withholding tax in Spain in case they are deposited in a depositary entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the

collection of the income derived from the Securities, provided that such income had not been previously subject to withholding tax in Spain.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT – to be declared in their annual tax returns – according to the following rates:

- tax rates in force during 2015:
  - amounts up to EUR 6,000.00: 20 per cent;
  - amounts between EUR 6,000.01 and EUR 50,000: 22 per cent;
  - amounts exceeding EUR 50,000: 24 per cent;
- tax rates in force as from 2016 onwards:
  - amounts up to EUR 6,000.00: 19 per cent;
  - amounts between EUR 6,000.01 and EUR 50,000: 21 per cent; and
  - amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(ii) *Income upon transfer or redemption of the Securities*

Income earned upon transfer or redemption of the Securities should be subject to Spanish withholding tax at 20 per cent. in 2015 and 19 per cent. as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, income upon transfer or redemption of the Securities should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not been previously subject to withholding tax in Spain.

However, when Securities (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, holders can benefit from a withholding tax exemption in respect of the income arising from the transfer or reimbursement of the Securities. However, under certain circumstances, when a transfer of the Securities has occurred within the 30-day period immediately preceding any relevant coupon payment date such holders may not be eligible for such withholding tax exemption.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, to be declared in their annual tax returns, according to the following rates:

- Tax rates in force during 2015:
  - Amounts up to EUR 6,000.00: 20 per cent.
  - Amounts between EUR 6,000.01 and EUR 50,000: 22 per cent.
  - Amounts exceeding EUR 50,000: 24 per cent.
- Tax rates in force as from 2016 onwards.



- Amounts up to EUR 6,000.00: 19 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
- Amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

**(b) Spanish resident companies**

Interest payments under the Securities shall be subject to withholding tax at 20 per cent in 2015 and 19 per cent as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, interest payments under Securities should be only subject to withholding tax in Spain in case they are deposited in a depository entity or individual resident in Spain (or acting through a permanent establishment in Spain) or if an entity or individual resident in Spain (or acting through a permanent establishment in Spain) is in charge of the collection of the income derive from the Securities, provided that such income had not been previously subject to withholding tax in Spain.

Income upon transfer or redemption of the Securities should be subject to Spanish withholding tax at 20 per cent in 2015 and 19 per cent as from 2016 onwards on account of PIT (creditable against final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, income upon transfer or redemption of the Securities should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not been previously subject to withholding tax in Spain.

However, when (i) the Securities are represented in book-entry form and are admitted to trading on a Spanish secondary stock exchange or on the Spanish Alternative Fixed Income Market (MARF); or (ii) the Securities are listed on an OECD market, a withholding tax exemption should apply in respect of the income arising from the transfer or redemption of the Securities, exception made of income derived from accounts entered into with financial entities, provided that such income were based on financial instruments, such as Securities.

Spanish resident companies earning income under the Securities will be subject to CIT, to be declared in their annual tax returns, at a general 28 per cent rate in 2015 and 25 per cent as from 2016 onwards. However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the CIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount that should have been paid in Spain in the case that such income had been obtained in Spain.

**(c) Individuals and companies with no tax residency in Spain**

*(i) Income obtained through a permanent establishment*

The tax rules applicable to income deriving from the Securities under NRIT in this scenario are generally the same as those previously set out for Spanish resident companies, subject to the provisions of any relevant double tax treaty.

*(ii) Income obtained without a permanent establishment*

Income obtained by investors residing outside Spain and without a permanent establishment within the Spanish territory would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain.

## 16.2 Net Wealth Tax ("NWT")

Only individual holders of Securities would be subject to the NWT as legal entities are not taxable persons under NWT.

Relevant taxpayers will be (i) individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised; and (ii) non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain, when in both cases their net wealth is higher than EUR 700,000, as this amount is considered as exempt from NWT.

Taxpayers should include in their NWT self-assessment the Securities for the following amounts:

- (a) if they are listed in an official market, the average negotiation value of the fourth quarter; and
- (b) in other case, its nominal value (including redemption premiums).

The value of the Securities together with the rest of the taxpayer's wealth, once reduced by the deductible in rem liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 2.5 per cent.

Finally, please note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory

## 16.3 Inheritance and Gift Tax ("IGT")

### (a) Individuals with tax residency in Spain

Individuals resident in Spain who acquire ownership or other rights over any Securities by inheritance, gift or legacy will be subject to IGT. The applicable effective tax rates range between 7.65 per cent and 81.6 per cent, depending on several factors such as family relationship and pre-existing heritage. However, it is necessary to take into account that the IGT (including certain tax benefits) has been transferred to the Spanish regions. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

### (b) Companies with tax residency in Spain

Companies resident in Spain are not subject to IGT, as income obtained will be subject to CIT.

### (c) Individuals and companies with no tax residency in Spain

Non-Spanish resident individuals that acquire ownership or other rights over the Securities by inheritance, gift or legacy, will not be subject to IGT provided that the Securities were not located in Spain and the rights deriving from them could not be exercised within Spanish territory.

The acquisition of Securities by non-resident companies is not subject to the IGT, as income obtained will be subject to the NRIT.

## 16.4 Value Added Tax, Transfer Tax and Stamp Duty

Acquisition and transfer of Securities, in principle, shall not trigger Transfer Tax and Stamp Duty, nor will they be taxable under Value Added Tax.

## 17. Swedish taxation

The following discussion is a summary of certain material Swedish tax considerations relating to (i) Securities issued by the Issuer where the Holder is tax resident in Sweden or has a tax presence in Sweden or (ii) Securities where the Paying Agent or custodian is located in Sweden. This summary of certain tax issues that may arise as a result of holding Securities is based on current Swedish tax legislation and is intended only as general information for Holders of Securities who are resident or domiciled in Sweden for tax purposes. This description does not deal comprehensively with all tax consequences that may occur for Holders of Securities, nor does it cover the specific rules where Securities are held by a partnership or are held as current assets in a business operation. Moreover, this summary does not cover Securities held on a so-called investment savings account (*Sw: investeringssparkonto*). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, life insurance companies and persons who are not resident or domiciled in Sweden. It is recommended that potential applicants for Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

### 17.1 Withholding of tax

There is no Swedish withholding tax at source (*Sw: källskatt*) applicable on payments made by the Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*Sw: preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent will be deducted from all payments treated as interest in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes provided the paying entity is tax resident in Sweden and subject to reporting obligations. A preliminary tax of 30 per cent will also be deducted from any other payments in respect of the Securities not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant Holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the Holder's overall tax liability with any balance subsequently to be paid by or to the relevant Holder, as applicable.

### 17.2 Taxation of individuals resident in Sweden

#### (a) Income from capital category

For individuals and estates of deceased Swedish individuals capital gains, interest payments, dividends and other income derived from the holding of an asset should be reported as income from capital category.

#### (b) Capital gains and losses

Individuals and estates of deceased Swedish individuals, who sell or redeem their Securities, are subject to capital gains taxation. The current tax rate is 30 per cent of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Securities. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Securities of the same type and class are added together and calculated collectively, with respect to changes to the holding. Optionally, the so-called standard rule under which the acquisition cost is deemed to be the equivalent of 20 per cent of the net sales price may be applied on the disposal of listed notes that are taxed in the same manner as shares. A Security should be regarded as listed for Swedish tax purposes if it is listed and admitted to trading on a foreign regulated market that is considered as a stock exchange under Swedish tax law. Also Securities traded on a non-regulated market may under certain circumstances be regarded as listed for Swedish tax purposes.

As a main rule, 70 per cent of a capital loss is deductible against any other taxable income derived from capital.

Capital losses on listed Securities that are taxed in the same manner as shares, are, however, fully deductible against taxable capital gains on such assets or capital gains on listed as well as non-listed shares in Swedish limited liability companies and foreign legal entities. Any excess amount is deductible at 70 per cent, according to the main rule.

Capital losses on listed Securities qualifying as Swedish receivables (i.e. denominated in SEK) are currently fully deductible in the capital income category. Moreover, under EC law also capital losses on listed receivables denominated in foreign currency are fully deductible.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

Gains or losses on currency exchange rate fluctuations may arise in relation to Securities where the sales proceeds received are in a foreign currency. However, no special calculations are required if the sales proceeds are exchanged into SEK (Swedish krona) within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the sales proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes.

**(c) Interest**

Interest as well as other income derived from the holding of an asset is subject to tax at a rate of 30 per cent. The tax liability arises when the interest (or other income) is actually paid, in accordance with the so-called cash method.

**(d) Classification of the Securities and return on such Securities for tax purposes**

Notes and certificates linked to equity (e.g. shares, shares in funds, equity index) are taxed in the same manner as shares provided that the return derives from equity. This should apply regardless of whether the notes and certificates are denominated in foreign currency. The Swedish Agency's opinion is, however, that a receivable denominated in foreign currency should regardless of whether the return on the receivable is linked to shares be treated as a foreign receivable.

Any fixed, guaranteed return is taxed as interest and does not form part of any capital gain. Floating payments that cannot be predicted (based on the performance of an Underlying Asset, such as an index) are classified as capital gains or, if the payoff is provided before the Security is sold, other income derived from the holding of an asset (*Sw: annan inkomst på grund av innehav av tillgång*).

Upon disposal prior to maturity an annual guaranteed return shall be regarded as interest compensation. Any remaining amount shall be treated as capital gain or loss. The acquisition cost for the instrument is calculated to equal the difference between the price paid for the note and any interest compensation amount.

At redemption, a yearly guaranteed return is regarded as interest, whereas any remaining part of any yearly floating return shall be treated as other income derived from the holding of an asset. The remainder is taxed as a capital gain or loss.

**(e) Gift, inheritance and wealth taxes**

There is no gift, inheritance or wealth tax in Sweden.

**(f) Stamp duty**

There is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

**17.3 Taxation of Swedish legal entities**

Limited liability companies and other legal entities, except for estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Securities) as income from business activities at a flat rate of 22 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see '*Taxation of individuals resident in Sweden*' above. However, interest income as well as other income derived from the holding of an asset is taxed on an accruals basis.

Capital losses on Securities that are taxed in the same manner as shares (see further above) incurred by a corporate holder of a Security may only be offset against taxable capital gains on shares or such notes. Such capital losses may also, under certain circumstances, be deductible against capital gains on shares and Securities that are taxed in the same manner as shares within the same group of companies, provided the requirements for group contributions (tax consolidation) are met. Capital losses on Securities that are taxed in the same manner as shares which are not deducted against capital gains within a certain year may be carried forward indefinitely and offset against taxable capital gains on shares and Securities taxed in the same manner as shares during future years.

Capital losses on Securities regarded as foreign receivables are fully deductible against any other taxable income from business activities. Capital losses that are not deducted against taxable income within a certain year may normally be carried forward and offset against taxable income the following fiscal year without any limitation in time.

For limited liability companies and economic associations, capital gains on shares and certain share related rights held for business purposes are tax exempt. As a result, capital losses on shares and share related rights that are held for business purposes are not deductible. Securities under this offer are not treated as share related rights held for business purposes. However, a capital loss on the Securities is not deductible should the underlying assets, directly or indirectly, consist of shares or certain share related rights held for business purposes.

As mentioned above, there is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

**(a) Taxation of non-residents in Sweden**

Holders of Securities who are not fiscally resident in Sweden and who are not carrying on business operations from a permanent establishment in Sweden are not taxed for any interest, capital gains or other income derived from the holding of the Securities in Sweden. The holders may, nevertheless, be subject to tax in their country of residence. However, as far as non-resident individuals are concerned, capital gains on the sale of securities taxed in the same manner as shares may in some cases be subject to Swedish tax if the individual has been resident or permanently lived in Sweden at any time during the calendar year of the sale or any of the 10 preceding calendar years. This provision is, nevertheless, in many cases limited by tax treaties for the avoidance of double taxation, which Sweden has concluded with other countries.

**(b) Swedish implementation of the EU Savings Tax Directive**

The EU Savings Tax Directive came into force on 1 July 2005. The EU Savings Tax Directive applies, amongst other matters, to payments of interest on debt claims of every kind made by a Paying Agent in an EU Member State for the benefit of individual investors resident in the EU.

In circumstances where the EU Savings Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is any

economic operator who pays interest to, or secures interest for the beneficial owner, and could in relation to the Programme include a broker effecting the sale of the Securities.

## 18. Swiss taxation

The following is an overview only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities issued pursuant to the Programme. Because this overview does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, investors are recommended to consult their personal tax advisers as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued pursuant to the Programme including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration issued on 7 February 2007 a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Duty ("**Circular Letter No. 15**"). The Securities issued pursuant to the Programme will be taxed in accordance with Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

### 18.1 Income tax

#### (a) Securities are held as private assets (*Privatvermögen*) by investors resident in Switzerland

Pursuant to the principles of Swiss income taxation, capital gains are in principle Swiss personal income tax exempt for (a) federal direct tax purposes if realised upon a disposal or exchange of movable and immovable private assets and (b) cantonal/municipal direct tax purposes if realised upon a disposal or exchange of movable private assets whereas investment income (such as, but not limited to, interest, dividends, etc.) deriving from private assets is subject to Swiss personal income tax. However, any capital losses sustained in relation to private assets are not tax deductible. Hence, (i) capital gains realised upon a sale or redemption of the Securities or (ii) income derived from the Securities stemming from capital gains are in principle Swiss personal income tax exempt for an investor resident in Switzerland holding the Securities as private assets whereas investment income deriving from the Securities is in principle subject to Swiss personal income tax.

#### (b) Securities are held as business assets (*Geschäftsvermögen*) by investors resident in Switzerland

Pursuant to the principles of Swiss income taxation, capital gains realised upon disposal, exchange or re-evaluation of business assets are in general subject to either (a) Swiss personal income tax with respect to individuals or (b) Swiss corporate income tax with respect to corporations in the same manner as any other commercial or investment income. This applies to both movable and immovable assets. However, as capital gains in relation to business assets are in principle fully taxable, it follows that capital loss in relation to business assets is tax deductible. Hence, (i) capital gains realised upon a sale, exchange, redemption or re-evaluation of the Securities or (ii) income derived from the Securities, irrespective of whether such income stems from investment income or capital gains, are in principle subject to either Swiss personal income tax with respect to an individual investor resident in Switzerland holding the Securities as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

### 18.2 Withholding tax

The Swiss federal withholding tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions, etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident (*Inländer*), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions

of or in connection with Swiss tax resident collective investment schemes. For Swiss federal withholding tax purposes, an individual or corporation qualifies as Swiss tax resident (*Inländer*) being subject to withholding taxation if it (a) is resident in Switzerland, (b) has its permanent abode in Switzerland, (c) is a company incorporated under Swiss law having its statutory seat in Switzerland, (d) is a company incorporated under foreign law but with a registered office in Switzerland, or (e) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Securities are not issued by an issuer qualifying as a Swiss tax resident for the purposes of Swiss withholding tax, income derived from the Securities is in principle not subject to Swiss withholding tax.

### 18.3 Securities transfer tax

Swiss securities transfer tax is levied on the transfer of ownership against consideration of certain taxable securities (including, but not limited to, bonds) if a Swiss securities dealer is involved in the transaction. Hence, secondary market transactions in the Securities are subject to Swiss securities transfer tax, calculated on the purchase price or sales proceed, if the Securities are qualified as taxable securities, provided that a Swiss securities dealer is involved in the transaction and no exemption applies.

### 18.4 EU system of tax retention

Switzerland has introduced a tax retention (withholding tax) pursuant to the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in the Savings Directive effective as of 1 July 2005 (the "**Agreement**") on interest payments or similar income paid by a Swiss paying agent to an individual resident of an EU member state, unless the interest payments are made as debt claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments in Switzerland of non-residents, at a rate of 35 per cent. The beneficial owner may avoid the retention by expressly authorising the paying agent in Switzerland to report the interest payments to the competent authority of that state. The competent authority of Switzerland then communicates the information to the competent authority of the EU member state of residence of the beneficial owner.

### 18.5 Rubik agreements

Switzerland has signed agreements on a final withholding tax (*Quellensteuerabkommen*) with the United Kingdom and with Austria. According to these agreements, qualifying Swiss paying agents levy a final withholding tax on any investment income if the Securities are held in a custody account with a qualifying Swiss paying agent and if the custody account is directly or indirectly owned by an individual resident in the other contracting state (e.g. Austria). The applicable final withholding tax rate may vary depending on the applicable tax rate in the other contracting state and the type of realised investment income (dividend, interest, capital gain, etc.). Furthermore, the calculation of the income subject to a final withholding tax may vary depending on the applicable agreement. A person subject to a final withholding tax ("**Affected Person**") may avoid such final withholding tax by expressly allowing the qualifying Swiss paying agent to report to the foreign tax authorities in the state of residence of the Affected Person, amongst others, the identity of the Affected Person and the amount of the realised investment income in a certain period.

## PURCHASE AND SALE

Pursuant to the Master Subscription Agreement dated 18 May 2015 (as amended, supplemented and/or restated from time to time, the "**Master Subscription Agreement**"), each Manager (being, at the date of this Base Prospectus, each of Barclays Bank PLC and Barclays Capital Inc. in their respective capacities as a Manager) has agreed with the Issuer the basis on which it may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under '*Summary*' and '*Terms and Conditions of the Securities*'. In the Master Subscription Agreement, the Issuer has agreed to reimburse the relevant Manager for certain of its expenses in connection with the Securities issued pursuant to the Programme.

No representation is made that any action has been or will be taken by the Issuer or the Managers in any jurisdiction that would permit a public offering of any of the Securities or possession or distribution of the Base Prospectus or any other offering material or any Final Terms in relation to any Securities in any country or jurisdiction where action for that purpose is required (other than actions by the Issuer to meet the requirements of the Prospectus Directive for offerings contemplated in this Base Prospectus and/or the Final Terms). No offers, sales, resales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction and/or to any individual or entity except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or the Managers.

Subject to the restrictions and conditions set out in this Base Prospectus, the categories of potential investors to which the Securities are intended to be offered are retail and institutional investors in the United Kingdom, Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.

### **Selling Restrictions**

#### **Australia**

The Base Prospectus has not been, and no prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**")) in relation to the Programme or the Securities has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that unless the Final Terms (or another supplement to this Base Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Securities for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any base prospectus, information memorandum or any other offering material or advertisement relating to any Securities in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a 'retail client' as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with any other applicable laws, regulations or directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.



## European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Manager has represented and agreed, and each further Manager appointed pursuant to 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 Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such Securities may be made to the public in that Relevant Member State:

- (a) if the Issuer expressly specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a 'Public Offer'), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) 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 Manager or Managers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Manager 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 Securities to the public' in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression 'Prospectus Directive' means Directive 2003/71/EC of the European Parliament and of the Council (as amended, including by Directive 2010/73/EU of the European Parliament and of the Council).

Each Manager has represented and agreed, and each further Manager appointed under this Programme will be required to represent and agree, that any commission or fee received from the Issuer complies with the applicable rules set out in the Markets in Financial Instruments Directive 2004/39/EC of the European Parliament and of the Council.

## France

This Base Prospectus has not been approved by the *Autorité des marchés financiers*.

Each Managers and the relevant Issuer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Securities to the public (*offre au public*) in France or an admission of Securities to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the *Autorité des marchés financiers* on the date of its publication, or (ii) when a prospectus has been approved by the competent authority of another member state of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the *Autorité des marchés financiers*, and ending at the latest on the date which is 12 months after the date of

approval of the prospectus, all in accordance with Articles L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code *monétaire et financier* and the *Règlement général of the Autorité des marchés financiers* and when formalities required by French laws and regulations have been carried out; or

- (b) it has only made and it will only make an offer of Securities to the public in France or an admission of Securities to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French Code *monétaire et financier* and the *Règlement général of the Autorité des marchés financiers*; and
- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the Final Terms or any other offering material relating to the Securities, and that such offers, sales and distributions have been and will be made in France only to: (a) providers of the investment service of portfolio management for the account of third parties; and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account (other than individuals), all as defined in, and in accordance with, Articles L. 411-2 and D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code *monétaire et financier*. The direct or indirect resale of Securities to the public in France may be made only as provided by, and in accordance with, Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code *monétaire et financier*.

In addition, each of the Manager and the relevant Issuer has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the Final Terms or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

### **Hong Kong**

No advertisement, invitation or document relating to the Securities may be issued, or may be in the possession of any person for the purpose of issue, (in each case whether in Hong Kong or elsewhere), if such advertisement, invitation or document is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to 'professional investors' within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong, the "SFO") and any rules made thereunder.

In addition, in respect of Securities which are not a 'structured product' as defined in the SFO, the Securities may not be offered or sold in Hong Kong by means of any document other than (i) to 'professional investors' within the meaning of the SFO and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a 'prospectus' within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32, Laws of Hong Kong, the "CO") or which do not constitute an offer to the public within the meaning of the CO.

### **Ireland**

Each Manager has represented, warranted and agreed that (and each further Manager appointed under the Programme will be required to represent, warrant and agree that) it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (a) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any Central Bank of Ireland ("**Central Bank**") rules issued and/or in force pursuant to section 1363 of the Companies Act 2014;
- (b) the Irish Companies Act 2014;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;

- (d) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any Central Bank rules issued and/or in force pursuant to section 1370 of the Irish Companies Act 2014; and
- (e) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under section 117(1) of the Central Bank Act 1989.

### **Italy**

In addition to the requirements set out under '*European Economic Area*' above, any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation 29 October 2007, No. 16190 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**");
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Please note that in accordance with Article 100–*bis* of the Financial Services Act, where no exemption from the rules on public offerings applies, Securities which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are continuously (*sistematicamente*) distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

### **Korea**

Each Manager has represented, warranted and agreed, and any additional Manager or holder of Securities named in the Final Terms will be required to represent, warrant and agree, that the Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act of the Republic of Korea and that the Securities have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and the regulations thereunder) or to others for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under the applicable laws and regulations of Korea. Furthermore, a holder of Securities is prohibited from offering, delivering or selling any Securities, directly or indirectly, in Korea or to any Korean resident except as otherwise permitted under Korean laws and regulations. Each Manager has undertaken, and any additional Manager named in the Final Terms will be required to undertake, to ensure that any investor to which it sells Securities confirms that it is purchasing such Securities as principal and agrees with such Manager that it will comply with the restrictions described above.

### **Mainland China**

The Securities may not be offered or sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly: (a) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the People's Republic of China, excluding Hong Kong, Taiwan and Macau ("**Mainland China**"); or (b) to any person within Mainland China other than as permitted by and in full compliance with the relevant laws and regulations of Mainland China, including but not limited to the Mainland China Securities Law, the Company Law and/or the Administrative Rules Governing Derivatives Activities of Financial Institutions (as amended from time to time). The Issuer does not represent that the Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in Mainland China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Neither the Base Prospectus nor any material or information contained or incorporated by reference therein relating to the Programme, which has not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission or other relevant governmental authorities in Mainland China, constitutes an offer or

solicitation of an offer to subscribe, purchase or sell the Securities in Mainland China or may be supplied to the public in Mainland China or used in connection with any offer for the subscription, purchase or sale of the Securities other than in compliance with the aforesaid in Mainland China.

### The Netherlands

- (a) **Specific Dutch selling restriction for exempt offers:** Each Manager has represented and agreed and each further Manager appointed under the Programme will be required to represent and agree that it will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms or securities note in relation thereto to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:
- (i) such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands; or
  - (ii) standard exemption logo and wording are disclosed as required by article 5:20(5) of the FSA; or
  - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

**provided that** no such offer of Securities shall require any Issuer or any Manager 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 expressions (i) an 'offer of Securities to the public' in relation to any Securities in the Netherlands and (ii) 'Prospectus Directive', have the meaning given to them above in the paragraph entitled 'European Economic Area'.

- (b) **Regulatory capacity to offer Securities in the Netherlands:** Each Manager under the Programme, and each further Manager appointed under the Programme, that did and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in the Netherlands has represented and agreed or, in the case of further Managers, will be required to represent and agree with the Issuer that it has not offered or sold and will not offer or sell any of the Securities of the Issuer in the Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.
- (c) **Compliance with Dutch Savings Certificate Act:** In addition and without prejudice to the relevant restrictions set out under 'European Economic Area' above, Zero Coupon Securities (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required in respect of: (i) the transfer and acceptance of rights representing an interest in a Zero Coupon Security in global form; (ii) the initial issue of Zero Coupon Securities in definitive form to the first holders thereof; (iii) the transfer and acceptance of Zero Coupon Securities in definitive form between individuals not acting in the conduct of a business or profession; or (iv) the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Security in global form) of any particular Series or Tranche of Securities are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with.

As used herein 'Zero Coupon Securities' are Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## Portugal

Each Manager has represented and agreed, and each further Manager appointed pursuant to the Programme will be required to represent and agree, that the Securities may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offering (oferta pública) under the Portuguese Securities Code (*Código dos Valores Mobiliários*) approved by Decree-Law 486/99, of 13 November 1999 (as amended and restated from time to time), unless (i) the requirements and provisions applicable to public offerings in Portugal are met, (ii) the relevant registration, filing, approval or recognition with or by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the "CMVM") is made or obtained and (iii) compliance with all laws and regulations applicable in Portugal to such offering is ensured.

In addition, each Manager has represented and agreed, and each further Manager appointed pursuant to the Programme will be required to represent and agree, that:

- (a) it has not, directly or indirectly, distributed, made available or caused to be distributed this Base Prospectus and/or any related offering or advertising material or otherwise offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold, re-sold, re-offered or delivered any Securities in Portugal and/or towards any individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory ("Portuguese Investors"); and
- (b) it will not, directly or indirectly, take any of the actions mentioned in (a) in the future,

other than in compliance with all applicable provisions of the Portuguese Securities Code, Regulation (EC) No 809/2004 of 29 April 2004 (as amended from time to time), any applicable CMVM regulations and all other Portuguese securities laws and regulations which, in any such case, may be applicable to any offer or sale of Securities in Portugal and/or to any Portuguese Investors.

## Singapore

THIS DOCUMENT HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS DOCUMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF INTERESTS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY INTERESTS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289, OF SINGAPORE (THE "SFA"), (II) TO A RELEVANT PERSON PURSUANT TO SECTION 275(1), OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275, OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE INTERESTS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 BY A RELEVANT PERSON WHICH IS:

- (a) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR
- (b) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR,

SECURITIES (AS DEFINED IN SECTION 239(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES' RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE INTERESTS PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT:

- (i) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON DEFINED IN SECTION 275(2) OF THE SFA, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(i)(B) OF THE SFA;
- (ii) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;
- (iii) WHERE THE TRANSFER IS BY OPERATION OF LAW;
- (iv) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR
- (v) AS SPECIFIED IN REGULATION 32 OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005 OF SINGAPORE.

#### **Switzerland**

The Securities may not be publicly distributed in Switzerland. This Base Prospectus shall not be dispatched, copied to or otherwise made available to, and the Securities may not be offered for sale to, any person in Switzerland, except to 'qualified investors' as defined in Article 10 of the Swiss Act on Collective Investment Schemes ("CISA").

This document is neither a prospectus according to Article 1156 of the Swiss Code of Obligations nor a simplified prospectus according to Article 5 of the CISA nor a listing prospectus according to the Listing Rules of the SIX Swiss Exchange.

#### **Taiwan**

The Securities may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors), but may not be offered or sold in Taiwan.

#### **United Kingdom**

Any offeror of Securities will be required to represent and agree that:

- (a) *Financial Promotion*: 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 Securities in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer;
- (b) *General Compliance*: it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom;
- (c) Commissions and fees:
  - (i) if it is distributing Securities that are 'retail investment products' (as such term is defined in the Financial Conduct Authority Handbook) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; and
  - (ii) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where the Issuer has agreed to facilitate the payment of an advisory fee and has the express consent of the retail investor to do so.

## United States of America

### US Tax Selling Restrictions

Securities issued in bearer form for US tax purposes ("**Bearer Instruments**") may not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under US Treasury Regulation section 1.163-5(c)(2)(i)(D) (the "**D Rules**").

The Issuer and each Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) that in addition to the relevant US Securities Selling Restrictions set out below:

- (a) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during a 40-calendar-day restricted period it will not offer or sell, Bearer Instruments to a person who is within the United States or its possessions or to a United States person and (y) such Manager has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bearer Instruments that will be sold during the restricted period;
- (b) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Instruments are aware that Bearer Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);
- (c) if it is a United States person, it is acquiring the Bearer Instruments for purposes of resale in connection with their original issuance, and if it retains Bearer Instruments for its own account, it will do so in accordance with the requirements of the D Rules;
- (d) with respect to each affiliate or distributor that acquires Bearer Instruments from a Manager for the purpose of offering or selling such Bearer Instruments during the restricted period, the Manager either repeats and confirms the representations and agreements contained in sub-clauses (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Manager the representations and agreements contained in such sub-clauses; and
- (e) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Manager) has offered or sold, or during the restricted period will offer or sell, any Bearer Instruments except where pursuant to the contract the relevant Manager has obtained or will obtain from that party, for the benefit of the Issuer and each Manager, the representations contained in, and that party's agreement to comply with, the provisions of sub-clauses (a), (b), (c) and (d).

In addition, to the extent that the Final Terms relating to Bearer Instruments specifies that the Securities are subject to US Treasury Regulation section 1.163-5(c)(2)(i)(C) (the "**C Rules**"), the Bearer Instruments are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions. Each Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) that it will not offer, sell or deliver any Bearer Instruments within the United States.

Terms used in this section (*US Tax Selling Restrictions*) shall, unless the context otherwise requires, have the meanings given to them by the Code and the regulations thereunder, including the D Rules.

### US persons

The Issuer makes no representation regarding the characterisation of the Securities for US federal income tax purposes. The Securities may not be a suitable investment for US persons and other persons subject to net income taxation in the United States.

### **US Securities Selling Restrictions**

The Securities and, as applicable, the Entitlements have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section (*US Securities Selling Restrictions*) shall, unless the context otherwise requires, have the meanings given to them by Regulation S.

Each Manager has represented and agreed (and each further Manager named in the Final Terms will be required to represent and agree) that it has not and will not offer or sell Securities or Entitlements (a) as part of their distribution at any time or (b) otherwise until 40 calendar days after the completion of the distribution of an identifiable tranche of which such Securities are part, as determined and certified to the Agent by such Manager (in the case of a non-syndicated issue) or the relevant lead Manager (in the case of a syndicated issue, who shall notify the Managers when all Managers participating in that syndicated issue have so certified in respect of the Securities purchased by or through it), within the United States or to, or for the account or benefit of, US persons, and it will have sent to each Manager to which it sells Securities or Entitlements during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Securities and Entitlements within the United States or to, or for the account or benefit of, US persons. None of such Manager, its affiliates, or any persons acting on its or their behalf, has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Securities and Entitlements, and such Manager, its affiliates and all persons acting on its or their behalf have complied and will comply with any applicable offering restrictions requirement of Regulation S.

In addition, until 40 calendar days after the completion of the distribution of an identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act.

The Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

The Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Securities outside the United States and for the listing of Securities on the Relevant Stock Exchange. The Issuer and the Managers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. The Base Prospectus does not constitute an offer to any person in the United States or to any US person. Distribution of the Base Prospectus by any non-US person outside the United States is unauthorised, and any disclosure without the prior written consent of the Issuer of any of its contents to any of such US person or other person within the United States is prohibited.

### **US Retirement Plan Selling Restrictions**

The Securities may not be sold or transferred to, and each acquirer by its acquisition of Securities shall be deemed to have represented and covenanted that it is not acquiring the Securities for or on behalf of, and will not transfer Securities to, any pension plan or welfare plan, as defined in section 3 of the Employee Retirement Income Security Act ("**ERISA**"), that is subject to Title I of ERISA, any plan or arrangement that is subject to section 4975 of the Code, an entity the assets of which are considered assets of such a plan or arrangement, or a government, church or other plan subject to any law or regulation substantially similar to Title I of ERISA or Section 4975 of the Code.

### **General**

The selling restrictions may be modified by the agreement of the Issuer and the relevant Manager, including following a change in a relevant law, regulation or directive.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will comply with all relevant laws, regulations and directives, and obtain all relevant consents, approvals or permissions, in each jurisdiction in which it purchases, offers,



sells or delivers Securities or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms, and neither the Issuer nor any Manager shall have responsibility therefor.

## IMPORTANT LEGAL INFORMATION

### Responsibility, Public Offers and Consent

#### *Responsibility*

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

#### *Public Offers*

Certain tranches of Securities may, subject as provided below, be subsequently resold, finally placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such resale, placement or offer is referred to in this Base Prospectus as a 'Public Offer'. Any person making or intending to make a Public Offer of Securities must do so only with the consent of the Issuer and subject to and in accordance with the relevant conditions to such consent – see '*Consent to the use of this Base Prospectus*' below.

**Other than as set out immediately below, neither the Issuer nor any of the Managers has authorised (nor do they authorise or consent to the use of this Base Prospectus (or Final Terms) in connection with) the making of any Public Offer of Securities by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or any of the Managers or Authorised Offerors (as defined below) and none of the Issuer or any of the Managers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer or any of the Managers or Authorised Offerors accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. Any persons to whom an offer of any Securities is made should enquire whether a financial intermediary is an Authorised Offeror.**

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

In connection with a Public Offer of Securities as described in the Final Terms, the Issuer consents or (in the case of (ii) '*General Consent*') offers to grant its consent to the use of this Base Prospectus (as supplemented from time to time) and Final Terms (and accepts responsibility for the information contained in this Base Prospectus (as supplemented from time to time) and Final Terms in relation to any person who purchases Securities in such Public Offer made by an Authorised Offeror) by or to (as applicable) each of the following financial intermediaries, in each case subject to compliance by such financial intermediary with the Conditions to Consent (as described below) (each, an "**Authorised Offeror**"):

- (a) **Specific Consent:** each financial intermediary which either:
  - (i) is expressly named as an Initial Authorised Offeror in the Final Terms; or
  - (ii) is expressly named as an Authorised Offeror on the Issuer's website (<http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms>) (in which case, its name and address will be published on the Issuer's website); and
- (b) **General Consent:** if Part B of the Final Terms specifies 'General Consent' as applicable, each financial intermediary which both:
  - (i) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction (as may be supplemented from time to time, "**MiFID**") and

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

*'We, [specify name of financial intermediary], refer to the offer of [specify title of securities] (the "**Securities**") described in the Final Terms dated [specify date] (the "**Final Terms**") published by Barclays Bank PLC (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the Public Offer of the Securities in the Public Offer Jurisdiction(s) during the Offer Period and subject to and in accordance with the conditions set out in the Final Terms and Base Prospectus, we accept the offer by the Issuer. We confirm that we are authorised under MiFID to make, and are using the Base Prospectus in connection with, the Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus and Final Terms.'*

The consent of the Issuer referred to in (i) and (ii) above is subject to compliance by the relevant financial intermediary with the following conditions (the "**Conditions to Consent**"):

- (a) **Public Offer Jurisdiction(s):** the Public Offer is only made in Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden and/or the United Kingdom, as specified in the Final Terms (the "**Public Offer Jurisdiction(s)**");
- (b) **Offer Period:** the Public Offer is only made during the offer period specified in the Final Terms (the "**Offer Period**"); and
- (c) **Other:** each of the other conditions (if any) provided in the Final Terms.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

The Issuer may give consent to one or more additional Authorised Offerors in respect of a Public Offer after the date of the Final Terms, discontinue or change the Offer Period, and/or remove or add conditions to consent and, if it does so, such information will be published at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms>. Any new information with respect to Authorised Offerors unknown at the time of the approval of this Base Prospectus or the filing of the Final Terms will be published and can be found at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms>.

Neither the Issuer nor any Manager has any responsibility for any of the actions of any Authorised Offeror, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

**Any offer or sale of Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor, including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer, nor any Manager or other Authorised Offeror has any responsibility or liability for such information.**

**Any Authorised Offeror falling within (ii) (*General Consent*) above using this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

#### **Hyper-links to websites**

For the avoidance of doubt, the content of any website to which a hyper-link is provided shall not form part of this Base Prospectus.

## Ratings

The credit ratings included or referred to in this Base Prospectus or any document incorporated by reference are, for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**"), issued by Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), each of which is established in the European Union and has been registered under the CRA Regulation.

As of the date of this Base Prospectus, the short-term unsecured obligations of the Issuer are rated A-1 by Standard & Poor's<sup>1</sup>, P-1 by Moody's<sup>2</sup>, and F1 by Fitch<sup>3</sup> and the long-term obligations of the Issuer are rated A by Standard & Poor's<sup>4</sup>, A2 by Moody's<sup>5</sup>, and A by Fitch<sup>6</sup>.

## Fungible issuances

- (a) In the case of any issue of Securities which is to be consolidated and form a single Series with an existing Series the first tranche of which was issued on or after 6 June 2014 and prior to the date of this Base Prospectus, such Securities will be documented using the 2014 GSSP Base Prospectus 2 Pro Forma Final Terms (which is incorporated by reference into this Base Prospectus), save that the first two paragraphs under the title of the 2014 GSSP Base Prospectus 2 Pro Forma Final Terms shall be deleted and replaced with the following:

*"This document constitutes the final terms of the Securities (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "**Issuer**"). This Final Terms is supplemental to and should be read in conjunction with the GSSP Base Prospectus 2 dated 5 June 2015[, as supplemented on [●]], which constitutes a base prospectus (the "**Base Prospectus**" for the purposes of the Prospectus Directive), save in respect of the Terms and Conditions of the Securities which are extracted from the 2014 GSSP Base Prospectus 2 dated 6 June 2014 (the "**2014 GSSP Base Prospectus 2**") and which are incorporated by reference into the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Final Terms and the Base Prospectus, save in respect of the Terms and Conditions of the Securities which are extracted from the 2014 GSSP Base Prospectus 2. A summary of the individual issue of the Securities is annexed to this Final Terms.*

*The Base Prospectus, any supplements to the Base Prospectus and the 2014 GSSP Base Prospectus 2 are available for viewing at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London, and copies may be obtained from such office. Words and expressions defined in the 2014 GSSP Base Prospectus 2 and not defined in the Final Terms shall bear the same meanings when used herein.'*

- (b) In the case of any issue of Securities which is to be consolidated and form a single Series with an existing Series the first tranche of which was issued under the 2013 GSSP Base Prospectus 2 on

**Notes on Issuer ratings:** The information in these footnotes has been extracted from information made available by each rating agency referred to below. 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 rating agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

<sup>1</sup> A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

<sup>2</sup> 'P-1' Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

<sup>3</sup> An 'F1' rating indicates the highest short-term credit quality and the strongest intrinsic capacity for timely payment of financial commitments; may have an added '+' to denote any exceptionally strong credit feature.

<sup>4</sup> An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>5</sup> Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>6</sup> An 'A' rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

or after 10 June 2013 and prior to 6 June 2014, such Securities will be documented using the 2013 GSSP Base Prospectus 2 Pro Forma Final Terms (which is incorporated by reference into this Base Prospectus), save that the first two paragraphs under the title of the 2013 GSSP Base Prospectus 2 Pro Forma Final Terms shall be deleted and replaced with the following:

*'This document constitutes the final terms of the Securities (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "**Issuer**"). This Final Terms is supplemental to and should be read in conjunction with the GSSP Base Prospectus 2 dated 5 June 2015[, as supplemented on [●]], which constitutes a base prospectus (the "**Base Prospectus**" for the purposes of the Prospectus Directive), save in respect of the Terms and Conditions of the Securities which are extracted from the 2013 GSSP Base Prospectus 2 dated 10 June 2013 (the "**2013 GSSP Base Prospectus 2**") and which are incorporated by reference into the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Final Terms and the Base Prospectus, save in respect of the Terms and Conditions of the Securities which are extracted from the 2013 GSSP Base Prospectus 2. A summary of the individual issue of the Securities is annexed to this Final Terms.*

*The Base Prospectus, any supplements to the Base Prospectus and the 2013 GSSP Base Prospectus 2 are available for viewing at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London, and copies may be obtained from such office. Words and expressions defined in the 2013 GSSP Base Prospectus 2 and not defined in the Final Terms shall bear the same meanings when used herein.'*

- (c) In the case of any issue of Securities which is to be consolidated and form a single Series with an existing Series the first tranche of which was issued under the 2013 GSSP Base Prospectus 7 on or after 14 June 2013 and prior to 6 June 2014, such Securities will be documented using the 2013 GSSP Base Prospectus 7 Pro Forma Final Terms (which is incorporated by reference into this Base Prospectus), save that the first two paragraphs under the title of the 2013 GSSP Base Prospectus 7 Pro Forma Final Terms shall be deleted and replaced with the following:

*'This document constitutes the final terms of the Securities (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "**Issuer**"). These Final Terms are supplemental to and should be read in conjunction with the GSSP Base Prospectus 2 dated 5 June 2015[, as supplemented on [●]], which constitutes a base prospectus (the "**Base Prospectus**" for the purposes of the Prospectus Directive), save in respect of the Terms and Conditions of the Securities which are extracted from the GSSP Base Prospectus 7 dated 14 June 2013 (the "**2013 GSSP Base Prospectus 7**") and which are incorporated by reference into the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus, save in respect of the Terms and Conditions of the Securities. A summary of the individual issue of the Securities is annexed to these Final Terms.*

*The Base Prospectus, any supplements to the Base Prospectus and the 2013 GSSP Base Prospectus 7 are available for viewing at <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London, and copies may be obtained from such office. Words and expressions defined in the 2013 GSSP Base Prospectus 7 and not defined in the Final Terms shall bear the same meanings when used herein.'*

## GENERAL INFORMATION

### Significant change statement

There has been no significant change in the financial or trading position of the Bank Group since 31 March 2015.

### Material adverse change statement

There has been no material adverse change in the prospects of the Issuer since 31 December 2014.

### Legal proceedings

Save as disclosed under 'The Issuer and the Group — Legal, Competition and Regulatory Matters' on pages 25 to 39 (other than under the heading 'General') in the Registration Document and the references to the additional provisions primarily relating to Foreign Exchange and Payment Protection Insurance and claims management costs redress set out on pages 3 to 7, 9 and 10 of the Q1 2015 Results Announcement and the May 2015 Announcement, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Bank Group.

### Authorisation and consents

The establishment of the Programme and the issue of Securities pursuant to the Programme have been duly authorised by resolutions of an authorised committee of the Board of Directors of the Issuer on 22 May 2015.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with establishing and updating this Programme and will obtain all such consents, approvals and authorisations in connection with the issue and performance of each Security or Series issued pursuant to this Programme.

### Use of proceeds

The Issuer intends to apply the net proceeds from the sale of any Securities either for hedging purposes or for general corporate purposes unless otherwise specified in the Final Terms relating to a particular Security or Series. If, in respect of any particular issue of Securities, there is a particular identified use of proceeds, this will be stated in the Final Terms.

### Base Prospectus and supplements

This Base Prospectus may be used for a period of one year from its date in connection with a public offer of Securities in the EU, or for the listing and admission to trading of a Series. A revised Base Prospectus will be prepared in connection with the listing of any Series issued after such period unless all consents necessary are obtained for an extension of such period.

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to section 87 of the FSMA, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Securities to be offered to the public or to be admitted to trading on the Regulated Market of the London Stock Exchange, or of any other Relevant Stock Exchange, shall constitute a supplement to the base prospectus as required by the FCA and section 87 of the FSMA.

### Listing and admission to trading

Applications may be made for the listing of Securities on the Official List of the UK Listing Authority and for the admission to trading on the Regulated Market of the London Stock Exchange.

In addition, application may be made for a listing and admission to trading of Securities on the regulated market of the Irish Stock Exchange, NYSE Euronext Paris, NYSE Euronext Brussels, NYSE

Euronext Amsterdam, Luxembourg Stock Exchange, Malta Stock Exchange, NASDAQ OMX Copenhagen, NASDAQ OMX Stockholm, Nordic Derivatives Exchange (NDX), NASDAQ OMX Helsinki, Oslo Stock Exchange, Borsa Italiana S.p.A., Bolsas y Mercados Españoles and/or NYSE Euronext Lisbon and/or the SIX Swiss Exchange and/or on the multilateral trading facility of EuroTLX SIM S.p.A., as specified in the Final Terms. The SIX Swiss Exchange and the multilateral trading facility of EuroTLX SIM S.p.A. are not regulated markets for the purposes of the Prospectus Directive.

### **Passporting**

A request has been made to the FCA of the United Kingdom to passport this Base Prospectus to the following competent authorities:

- (a) Commission Bancaire Financière et des Assurances (CBFA) (Belgium);
- (b) Finanstilsynet (Denmark);
- (c) Finanssivalvonta (Finland);
- (d) Autorité des Marchés Financiers (AMF) (France);
- (e) Central Bank of Ireland (Ireland);
- (f) Commissione Nazionale per le Società e la Borsa (CONSOB) (Italy);
- (g) Commission de Surveillance du Secteur Financier (Luxembourg);
- (h) Malta Financial Services Authority (Malta);
- (i) Autoriteit Financiële Markten (AFM) (the Netherlands);
- (j) The Financial Supervisory Authority of Norway (Norway);
- (k) Comissão do Mercado de Valores Mobiliários (Portugal);
- (l) Comisión Nacional del Mercado de Valores (CNMV) (Spain); and
- (m) Finansinspektionen (Sweden).

### **Relevant Clearing Systems**

The Securities issued pursuant to the Programme may be accepted for clearance through Euroclear, Clearstream and any other Relevant Clearing System as set out in the Final Terms. The appropriate common code for each Series allocated by Euroclear and Clearstream will be set out in the Final Terms, together with the International Securities Identification Number (the "ISIN") for that Series. Transactions will be effected for settlement in accordance with the Relevant Rules.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any additional clearing system will be set out in the Final Terms.

### **Documents available**

For as long as this Base Prospectus remains in effect or any Securities remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection and, in the case of (b), (c), (h) and (i) below, shall be available for collection free of charge at the registered office of the Issuer and at <http://www.barclays.com/barclays-investor-relations/results-and-reports/results.html>, <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/prospectuses> and <http://irreports.barclays.com/prospectuses-and-documentation/structured-securities/final-terms> (as applicable) and at the specified office of the Issue and Paying Agent. The Final Terms, in respect of any Series, shall also be available at the specified office of the relevant Paying Agents or Transfer Agents and, in respect of CREST Securities, at the specified office of the CREST Agent.

- (a) The constitutional documents of the Issuer;
- (b) the documents set out in the '*Information Incorporated by Reference*' section of this Base Prospectus;
- (c) all future annual reports and semi-annual and quarterly financial statements of the Issuer;
- (d) the Master Subscription Agreement;
- (e) the Master Agency Agreement;
- (f) the Deed of Covenant;
- (g) the current Base Prospectus in respect of the Programme and any future supplements thereto;
- (h) any Final Terms issued in respect of Securities admitted to listing, trading and/or quotation by any listing authority, stock exchange, and/or quotation system since the most recent base prospectus was published; and
- (i) any other future documents and/or announcements issued by the Issuer.

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

The Issuer does not intend to provide any post-issuance information in relation to any of the Securities or the performance of any Underlying Asset or any other underlying relating to Securities, except if required by any applicable laws and regulations.

#### **Issue Price**

Securities will be issued by the Issuer at the Issue Price specified in the Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Manager at the time of the relevant offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such Securities will be the Issue Price or such other price as may be agreed between an investor and the Authorised Offeror making the offer of the Securities to such investor. The Issuer will not be party to arrangements between an investor and an Authorised Offeror, and the investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Securities to such Investor.

#### **Temporary ISIN and Temporary Common Code**

Any Temporary ISIN or Temporary Common Code specified in the Final Terms will apply until such time as the Relevant Clearing System recognises the Securities of the relevant Tranche to be fungible with any other Tranches of the relevant Series.

#### **Index Disclaimers**

The following Index Disclaimers apply to Securities in respect of which the Underlying Asset(s) are specified to include one or more of the FTSE<sup>®</sup> 100 Index; EURO STOXX 50<sup>®</sup> Index or S&P 500 Index. Where the Underlying Assets include any other equity indices, the relevant index disclaimers will be set out in the Final Terms.

#### **FTSE<sup>®</sup> 100 Index**

The Securities are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("**FTSE**") or by the London Stock Exchange Plc (the "**Exchange**") or by The Financial Times Limited ("**FT**") and neither FTSE nor the Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE<sup>®</sup> 100 Index (the "**Index**") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor the Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE nor the Exchange nor FT shall be under any obligation to advise any person of any error therein.



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### **EURO STOXX 50<sup>®</sup> Index**

STOXX and its licensors (the "**Licensors**") have no relationship to the Issuer, other than the licensing of the EURO STOXX 50<sup>®</sup> Index and the related trademarks for use in connection with the Securities.

#### **STOXX and its Licensors do not:**

- Sponsor, endorse, sell or promote the Securities.
- Recommend that any person invest in the Securities or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Securities.
- Have any responsibility or liability for the administration, management or marketing of the Securities.
- Consider the needs of the Securities or the owners of the Securities in determining, composing or calculating the EURO STOXX 50<sup>®</sup> Index or have any obligation to do so.

**STOXX and its Licensors will not have any liability in connection with the Securities. Specifically,**

- **STOXX and its Licensors do not make any warranty, express or implied, and disclaim any and all warranty about:**
  - **the results to be obtained by the Securities, the owner of the Securities or any other person in connection with the use of the EURO STOXX 50<sup>®</sup> Index and the data included in the EURO STOXX 50<sup>®</sup> Index;**
  - **the accuracy or completeness of the EURO STOXX 50<sup>®</sup> Index and its data; and**
  - **the merchantability and the fitness for a particular purpose or use of the EURO STOXX 50<sup>®</sup> Index and its data.**

**STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50<sup>®</sup> Index or its data.**

**Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.**

**The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Securities or any other third parties.**

### **S&P<sup>®</sup> 500 Index**

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**ISSUER**

**Barclays Bank PLC**

*Registered Office*  
1 Churchill Place  
London E14 5HP  
United Kingdom

**MANAGERS**

**Barclays Bank PLC**

1 Churchill Place  
London E14 5HP  
United Kingdom

**Barclays Capital Inc.**

745 Seventh Avenue  
New York, NY 10019  
United States

**ISSUE AND PAYING AGENT AND TRANSFER AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**DETERMINATION AGENT**

**Barclays Bank PLC**

1 Churchill Place  
London E14 5HP  
United Kingdom

**DETERMINATION  
AGENT**

**Barclays Capital Securities  
Limited**

1 Churchill Place  
London E14 5HP  
United Kingdom

**REGISTRAR**

**The Bank of New York  
Mellon**

101 Barclay Street  
New York, NY 10286  
United States of America

**REGISTRAR**

**The Bank of New York  
Mellon (Luxembourg) S.A.**

Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**ISSUE AND PAYING AGENT**

*in respect of French Securities*

**BNP Paribas Securities Services**

3 rue d'Antin  
75002 Paris  
France

**LEGAL ADVISERS TO THE MANAGER**

*in respect of English law and French law*

**Ashurst LLP**

Broadwalk House  
5 Appold Street  
London EC2A 2HA  
United Kingdom