



ROYAL BANK OF CANADA

(a Canadian chartered bank)

Programme for the Issuance of Securities

Under this Programme for the Issuance of Securities (the "**Programme**"), Royal Bank of Canada (the "**Issuer**" or the "**Bank**") may from time to time issue (i) notes ("**Notes**"), (ii) redeemable certificates ("**Redeemable Certificates**") or exercisable certificates ("**Exercisable Certificates**") and together with the Redeemable Certificates, "**Certificates**") or (iii) warrants ("**Warrants**") denominated or payable in any currency agreed between the Issuer and the relevant Dealer(s) (as defined herein) (such Certificates and Warrants together, the "**W&C Securities**" and the W&C Securities and the Notes together, the "**Securities**").

The Notes may be issued in bearer, registered or dematerialized and uncertificated book-entry form. The maximum aggregate principal amount of all Notes, Redeemable Certificates and Exercisable Certificates evidencing deposit liabilities under the Bank Act (Canada) issued under the Programme (calculated as described under "General Description of the Programme") will not exceed U.S.\$40,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) and the maximum aggregate implied notional amount of Warrants and Exercisable Certificates not evidencing deposit liabilities under the Bank Act (Canada) will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement (as defined herein), subject in either case to increase as described herein. The price and amount of the Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. The Bank may issue Securities (i) in the case of Notes, that bear interest at fixed rates or floating rates or that do not bear interest, (ii) in the case of W&C Securities, that pay additional amounts at fixed or floating rates or that pay no additional amounts (iii) with principal, premium, interest or other amounts deliverable (which may include cash, securities and/or other property) determined by reference to or linked to one or more indices, equities, commodities, funds, currencies, preference shares of the Preference Share Issuer (as defined herein), other underlying assets or bases of reference or the credit of one or more specified entities or any combination thereof (each a "**Reference Item**"), and (iv) the terms of which permit the Bank to discharge its obligations with respect to such Securities by the payment of cash and/or delivery of shares, securities and/or other property or assets.

Application has been made to the Financial Services Authority (the "**UK Listing Authority**") in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the "**FSMA**") for the Securities issued under the Programme during the period of twelve months after the date hereof to be admitted to the Official List of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Securities to be admitted to trading on the London Stock Exchange's regulated market (the "**Market**"). The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (the "**Markets in Financial Instruments Directive**"). Application has also been made to the UK Listing Authority for Securities issued under the Programme during the period of twelve months after the date hereof to be admitted to the Official List and to the London Stock Exchange for such Securities to be admitted to trading on the London Stock Exchange's Professional Securities Market (the "**PSM**"). The PSM is not a regulated market for the purposes of the Markets in Financial Instruments Directive. Swedish Notes (as defined herein) may be listed on the securities exchange operated by NASDAQ OMX Stockholm AB (the "**NASDAQ OMX Stockholm Exchange**"). The NASDAQ OMX Stockholm Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive. Application will also be made for Reference Item Linked Securities (as defined herein) to be listed on the SIX Swiss Exchange Ltd. (the "**SIX Swiss Exchange**") and admitted to trading on Scoach Switzerland Ltd. ("**Scoach Switzerland**"). Notes to be issued under the Programme may comprise (i) unsubordinated Notes ("**Senior Notes**") or (ii) subordinated Notes which constitute subordinated indebtedness of the Issuer as described herein ("**Subordinated Notes**"). Certificates and Warrants to be issued under the Programme will constitute unsubordinated and unsecured obligations of the Issuer.

Unless otherwise specified in the applicable Final Terms, the Bank will issue Senior Notes, Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the Bank Act (Canada) through its main branch in Toronto. The Bank may also issue such instruments through its London branch. Securities issued by any branch are obligations of the Bank.

Notes may be issued under the Programme which have a specified denomination of less than €100,000 (or its equivalent in other currencies).

Any person (an "**Investor**") intending to acquire or acquiring any Securities from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Base Prospectus (as defined herein) under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE SECURITIES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN INVESTORS AND MANAGERS SPECIFIED IN THE APPLICABLE FINAL TERMS) IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES AND, ACCORDINGLY, THE BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Prospective Investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Securities. Prospective Investors of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Certain issues of Securities involve a high degree of risk and prospective Investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and are not relying on the advice of the Issuer or any Dealer in that regard. In addition any applicable Final Terms may contain specific risk factors relating to the relevant issue of Securities.

Arrangers for the Programme

RBC CAPITAL MARKETS

MORGAN STANLEY

Dealers for Notes
(other than Reference Item linked Notes)

RBC CAPITAL MARKETS

BoFA MERRILL LYNCH

BARCLAYS

CITIGROUP

CREDIT SUISSE

DEUTSCHE BANK

HSBC

J.P. MORGAN

MORGAN STANLEY

UBS INVESTMENT BANK

Dealer for W&C Securities and
Reference Item Linked Notes
RBC CAPITAL MARKETS

April 13, 2012

IMPORTANT NOTICES

This document, together with all the documents incorporated by reference herein, other than those set out in paragraphs (e) to (h) on pages 61 and 62 (such documents collectively, the “Incorporated Documents”) comprises (i) a base prospectus (the “Base Prospectus”) for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and (ii) listing particulars for the purpose of LR 2.2.11 of the Listing Rules Instrument 2005 (“Listing Particulars”). References to Base Prospectus herein include the Listing Particulars unless the context otherwise requires.

Each Tranche (as defined below) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “Note Conditions”) and each Tranche of W&C Securities will be issued on the terms set out herein under “Terms and Conditions of the W&C Securities” (the “W&C Security Conditions”), in each case as amended and/or supplemented by the applicable Final Terms (the “Final Terms”) or in a separate prospectus specific to such Tranche (the “Drawdown Prospectus”) as described under “Final Terms or Drawdown Prospectus” on page 64. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus unless the context otherwise requires.

Copies of Final Terms or Drawdown Prospectuses for Securities that are offered to the public in the European Economic Area or admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive or admitted to trading on the PSM (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Bank and the headline “Publication of Prospectus” and (ii) will be available without charge from the Bank at 200 Bay Street, 4th Floor, North Tower, Toronto, Ontario, Canada M5J 2W7, Attention: Investor Relations and the specified office of the Issuing and Paying Agent set out at the end of this Prospectus (see “Terms and Conditions of the Notes” and “Terms and Conditions of the W&C Securities”).

The Bank accepts responsibility for the information in the Base Prospectus and the Prospectus. To the best of the knowledge of the Bank, having taken all reasonable care to ensure that such is the case, the information contained in the Base Prospectus and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the seventh and eighth paragraphs on the front cover of this Prospectus. For these purposes, “Prospectus” means this document including all documents incorporated by reference.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to the underlying asset, index or other asset or basis of reference to which the relevant Securities relate and which is contained in such Final Terms.

This document supersedes the Prospectus of the Issuer related to the Programme dated July 18, 2011, except that Securities issued on or after the date of this document which are to be consolidated and form a single series with Securities issued prior to the date hereof

will be subject to the Terms and Conditions of the Notes or the Terms and Conditions of the W&C Securities, as the case may be, applicable on the date of issue for the first tranche of Securities of such series. Such Terms and Conditions are incorporated by reference in, and form part of, this document.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Securities are the persons named in the applicable Final Terms as the relevant Dealer(s) or the Managers and the persons named in or identifiable in accordance with the applicable Final Terms as the Financial Intermediaries, as the case may be.

This document should be read and construed with any amendment or supplement hereto and with any other documents which are deemed to be incorporated herein or therein by reference and shall be read and construed on the basis that such documents are so incorporated and form part of this document (but not the Base Prospectus, save for the Incorporated Documents and any supplementary prospectus approved by the UK Listing Authority and the documents specifically incorporated by reference therein). Any reference in this document to the “Base Prospectus” means this document together with the Incorporated Documents, any supplementary prospectus approved by the UK Listing Authority and any documents specifically incorporated by reference therein. In relation to any Series (as defined herein) of Securities, this document shall also be read and construed together with the applicable Final Terms(s) (as defined herein).

Except for the Issuer’s First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements contained in the Issuer’s First Quarter 2012 Report to Shareholders (each as defined in the section entitled “Documents Incorporated by Reference”), the financial information incorporated by reference or contained in this document has been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The Bank has adopted International Financial Reporting Standards as adopted by the International Accounting Standards Board (“IFRS”) for interim financial reports and the annual financial report in respect of the financial year commencing November 1, 2011 (including the First Quarter 2012 Report to Shareholders). See “Documents Incorporated by Reference”.

In the case of a listing of Reference Item Linked Securities (as defined herein) on SIX Swiss Exchange, this Base Prospectus will constitute the base prospectus for the SIX Swiss Exchange registered issuance programme pursuant to Section 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange and may be supplemented from time to time by filing an appropriate supplement with SIX Swiss Exchange modifying, updating or amending the information contained herein. In respect of Securities to be listed on the SIX Swiss Exchange, this Base Prospectus, together with any supplements hereto and the applicable Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange. Such Securities do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes Act (“CISA”) and are neither subject to the authorisation nor the supervision by the Swiss Financial Market Supervisory Authority (“FINMA”) and investors do not benefit from the specific investor protection provided under the CISA. The Issuer reserves the right to set forth any and all information which may be required to be disclosed in a simplified prospectus pursuant to Art. 5 CISA and any implementing ordinance or other act of regulation or self-regulation in a separate document. Where such information is not contained in the applicable Final Terms but in a

separate document, such separate document is hereinafter referred to as a “Simplified Prospectus”.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this document or any amendment or supplement hereto or any document incorporated herein or therein by reference or entered into in relation to the Programme or any information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this document or any other information provided by the Issuer in connection with the Programme. No Dealer accepts liability in relation to the information contained or incorporated by reference in this document or any other information provided by the Issuer in connection with the Programme.

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

Neither the delivery of this document nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof 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 Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any Investor in the Securities of any information coming to their attention.

This document does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this document and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer which is intended to permit a public offering of the Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and

neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Securities may come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions on the distribution of this document and the offering and sale of Securities, including restrictions in Canada, the United States, the European Economic Area (including the United Kingdom, France, Italy, The Netherlands and Sweden), Hong Kong, Japan, Switzerland, the United Arab Emirates (excluding Kingdom of Bahrain, Dubai International Financial Centre) and Dubai International Financial Centre, set out under the heading “Subscription and Sale”. In particular, Securities and, in certain cases, the underlying assets or Entitlement (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended and may include Notes in bearer form and Certificates which are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purpose of this paragraph, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Warrants and Exercisable Certificates create options which are either exercisable by the relevant holder or which will be automatically exercised as provided herein. There is no obligation upon the Bank to pay any amount or deliver any asset to any holder of a Warrant or Exercisable Certificate unless the relevant holder duly exercises such Warrant or Exercisable Certificate or such Warrant or Exercisable Certificate is automatically exercised and, in each case, unless, in the case of Cash Settled W&C Securities (as

defined herein) where Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, an Exercise Notice (as defined herein) is duly delivered. Warrants and Exercisable Certificates will be exercised or will be exercisable in the manner set forth herein and in the applicable Final Terms (as defined herein). In order to receive payment of any amount or delivery of any asset due under a Warrant or an Exercisable Certificate, the holder of such Warrant or Exercisable Certificate (other than in the case of Cash Settled W&C Securities where Delivery of Exercise Notice is specified as being not applicable in the applicable Final Terms) will be required to deliver an Exercise Notice which includes, *inter alia*, a certification (in accordance with the provisions outlined in “*Terms and Conditions of the W&C Securities*”) that the holder of such Warrant or Exercisable Certificate is not a U.S. person or a person who has purchased such Warrant or Exercisable Certificate for resale to U.S. persons, that it is not exercising such Warrant or Exercisable Certificate within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof.

The Securities and, in certain cases, the Entitlement (as defined in the applicable Final Terms) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or under any state securities laws and are subject to certain United States tax law requirements. Trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the “CFTC”) under the United States Commodity Exchange Act, as amended (the “Commodity Exchange Act”). The Securities, or interests therein, may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the “United States”) or directly or indirectly offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, to, or for the account or benefit of, any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustee have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (iii) above; (vi) any entity organised principally for passive investment, ten per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being non-U.S. Persons; or (vii) any other U.S. Person as such term may be defined in Regulation S under the Securities Act (“Regulation S”) or in regulations adopted under the Commodity Exchange Act (“US Person”). See “*Subscription and Sale*” on pages 416 to 424.

Notes and Redeemable Certificates shall be redeemed on the maturity date or redemption date, as the case may be, by payment of the Final Redemption Amount or Cash Settlement Amount (each as defined herein) (in the case of Cash Settlement), respectively and/or by

delivery of the Entitlement (in the case of Physical Delivery (as defined herein)). In order to receive the Entitlement, the holder of a Note or Redeemable Certificate (other than a Swiss Note or Swiss W&C Security) will be required to deliver an Asset Transfer Notice or Collection Notice, respectively, which includes, *inter alia*, a certification (in accordance with the provisions outlined in “*Terms and Conditions of the Notes*” or “*Terms and Conditions of the W&C Securities*”, as the case may be) that such holder of a Note or Redeemable Certificate is not a U.S. person or a person who has purchased such Note or Redeemable Certificate for resale to U.S. persons, that it is not redeeming such Note or Redeemable Certificate within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the redemption thereof.

Senior Notes issued under the Programme are generally rated Aa1 (on review for downgrade) (P-1 for short term debt) by Moody’s Canada Inc. (“Moody’s Canada”) and AA- (a rating which does not apply to Notes with certain types of variable principal payments linked to commodity prices, equity prices or indices linked to either) by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies (Canada) Corporation (“S&P Canada”) and Subordinated Notes issued under the Programme are generally rated Aa2 (on review for downgrade) by Moody’s Canada and A by S&P Canada. A Tranche of Securities issued under the Programme may be rated or unrated except that Moody’s Canada have indicated they will not rate Reference Item Linked Securities. Where a Tranche of Securities is rated, such credit rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other.

The rating of certain Series of Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Securities will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the “CRA Regulation”) will be disclosed in the Final Terms. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

In addition to the Programme ratings provided by Moody’s Canada and S&P Canada, each of Moody’s Investors Service, Inc. (“Moody’s USA”), Standard & Poor’s Financial Services LLC (“S&P USA”), Fitch, Inc. (“Fitch”) and DBRS Limited (“DBRS”) has provided issuer ratings for the Issuer as specified under “Royal Bank of Canada – Issuer Ratings”.

In accordance with Article 4.1 of the CRA Regulation, please note that following documents (as defined in the section entitled “Documents Incorporated by Reference”) incorporated by reference in this Prospectus contain references to credit ratings:

- (a) the AIF (pages 11, 12 and 25);
- (b) the 2011 Annual Report (page 53); and
- (c) the First Quarter 2012 Report to Shareholders (page 27).

None of S&P Canada, S&P USA, Moody’s Canada, Moody’s USA, Fitch or DBRS (the “non-EU CRAs”) is established in the European Union or has applied for registration under the CRA Regulation. However, the applications for registration under the CRA Regulation of Standard and Poor’s Credit Market Services Europe Ltd., Moody’s Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited, which are affiliates of S&P Canada, S&P USA, Moody’s Canada, Moody’s USA, Fitch and DBRS, respectively, established in the European Union and registered under the CRA Regulation disclosed an intention to endorse their affiliated non-EU CRAs. While notification of the corresponding final endorsement decisions has not yet been provided by the relevant competent authority, the European Securities and Markets Authority (“ESMA”) has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012. On March 15, 2012, ESMA announced that ratings issued by non-EU CRAs registered or licensed in *inter alia* Canada and the United States can continue to be used by relevant market participants after April 30, 2012.

All references in this Prospectus to “U.S.\$”, “U.S. dollars”, “USD” or “United States Dollars” are to the lawful currency of the United States of America, to “\$”, “C\$”, “CAD” or “Canadian dollars” are to the lawful currency of Canada and to “euro”, “€” or “EUR” are to the currency of the Member States of the European Union introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

All references in this Prospectus to the “European Economic Area” or “EEA” are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION OR OVER-ALLOTMENT MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Securities constitute legal investments for them. See “Risk Factors – Legal investment considerations may restrict certain investments”.

THE PURCHASE OF SECURITIES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.

AN INVESTMENT IN SECURITIES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OR SETTLEMENT OF THE SECURITIES MAY BE LESS THAN THE PURCHASE PRICE OF THE SECURITIES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE SECURITIES ARE REDEEMED OR SETTLED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S), THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE PURCHASE PRICE OF THE SECURITIES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF SECURITIES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Issuer makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements may be made in this Prospectus and in the documents incorporated by reference in this Prospectus, in other filings with Canadian regulators, the United States Securities and Exchange Commission or other securities regulators, in reports to shareholders and in other communications. The forward-looking statements contained in this Prospectus and in the documents incorporated by reference in this Prospectus include, but are not limited to, statements relating to the Issuer’s financial performance objectives, the Issuer’s vision and strategic goals, the Economic, market and regulatory review and outlook for Canadian, U.S., European and global economies, the outlook and priorities for each of the Issuer’s business segments, and the risk environment including the Issuer’s liquidity and funding management. The forward-looking information contained in this document is presented for the purpose of assisting the holders and potential purchasers of the Securities and financial analysts in understanding the Issuer’s financial position and results of operations as at and for the periods ended on the dates presented and the Issuer’s vision and strategic goals and financial performance objectives, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will,” “may,” “should,” “could” or “would”.

By their very nature, forward-looking statements require the Issuer to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Issuer’s predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Issuer’s assumptions may not be correct and that the Issuer’s financial performance objectives, vision and strategic goals will not be achieved. Readers are cautioned not to place undue reliance on these statements as a number of risk factors could cause the Issuer’s actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Issuer’s control and the effects of which can be difficult to predict – include: credit, market, operational, and liquidity and funding risks, and other risks discussed in the “Risk management” section of the Issuer’s 2011 MD&A contained in its 2011 Annual Report (as defined herein) and in the Issuer’s First Quarter 2012 Report to Shareholders (as defined herein) incorporated by reference herein; general business, economic and financial market conditions in Canada, the United States and certain other countries in which the Issuer conducts business, including the effects of the European sovereign debt crisis and the lowering of the U.S. long-term sovereign credit rating by Standard & Poor’s; changes in accounting standards, policies and estimates, including changes in the Issuer’s estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; changes to and new interpretations of risk-based capital and liquidity guidelines; the impact of changes in laws and regulations including relating to the payments system in Canada, consumer protection measures and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder; the effects of competition in the markets in which the Issuer operates; the Issuer’s ability to attract and retain employees; judicial or regulatory judgments and legal

proceedings; the accuracy and completeness of information concerning clients and counterparties of the Issuer; the Issuer's ability to successfully execute its strategies and to complete and integrate strategic acquisitions and joint ventures successfully; development and integration of the Issuer's distribution networks; and the impact of environmental issues.

Readers are cautioned that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect the Issuer's results. When relying on forward-looking statements to make decisions with respect to the Issuer, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, none of the Issuer, the Dealers or any other person undertakes to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Issuer.

Additional information about these and other factors can be found under the "Risk management" and "Overview of other risks" sections of the Issuer's 2011 MD&A contained in its 2011 Annual Report and in the "Risk management" section of the Issuer's First Quarter 2012 Report to Shareholders, which documents are incorporated by reference herein.

NOTICE TO RESIDENTS IN THE KINGDOM OF BAHRAIN

Any offer of Securities in the Kingdom of Bahrain ("Bahrain") will be undertaken by way of private placement. Such offers are subject to the regulations of the Central Bank of Bahrain that apply to private offerings of securities and the disclosure requirements and other protections that these regulations contain. This Prospectus is therefore intended only for "accredited investors" (as defined below, see "Subscription and Sale – The Kingdom of Bahrain"). The Securities offered in Bahrain may only be offered in minimum denominations of U.S.\$100,000 (or equivalent in other currencies). Resale of the Securities offered herein is limited to "accredited investors".

The Central Bank of Bahrain and the Bahrain Bourse assume no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaim any liability whatsoever for any loss howsoever owing from reliance upon the whole or any part of the contents of this Prospectus.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to the Base Prospectus and any decision to invest in the Securities should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (“EEA State”), no civil liability will attach to the Bank in any such Member State 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. Where a claim relating to the information contained in the Base Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in “Form of the Securities”, “Terms and Conditions of the Notes” and “Terms and Conditions of the W&C Securities” below shall have the same meanings in this summary.

Essential Characteristics of and Risks Associated with Bank

Royal Bank of Canada (the “**Bank**” or the “**Issuer**”) is a Schedule I bank under the *Bank Act* (Canada) (the “**Bank Act**”), which constitutes its charter. The Bank was created as Merchants Bank in 1864 and was incorporated under the “Act to Incorporate the Merchants’ Bank of Halifax” assented to June 22, 1869. The Bank changed its name to The Royal Bank of Canada in 1901 and to Royal Bank of Canada in 1990.

The Bank and its subsidiaries operate under the master brand name RBC. All references in this Summary to “**the Bank**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank is Canada’s largest bank as measured by assets and market capitalisation, and is among the largest banks in the world, based on market capitalisation. The Bank is one of North America’s leading diversified financial services companies, and provides personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. The Bank employs approximately 74,000 full- and part-time employees who serve close to 16 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 51 other countries. As at January 31, 2012, the Bank had total assets of C\$815 billion and total equity attributable to shareholders of C\$41 billion.

There are a number of factors that could cause the Bank’s actual results to differ materially from those anticipated (see “Risk Factors”).

Banking and financial services involves inherent risks, such as credit risk, market risk, liquidity and funding management, operational risk, legal and regulatory compliance risk, insurance risk, reputation risk, and strategic risk which can affect the Bank’s results (see the “Risk management” section on pages 41 to 55 and the “Overview of other risks” section on pages 55 to 57 in the Bank’s 2011 Annual Report and the “Risk management” section on pages 20 to 27 of the Bank’s First Quarter 2012 Report to Shareholders for a discussion of these risks and how the Bank manages them).

Some other factors that may affect the Bank's results include:

- (i) general business and economic conditions;
- (ii) changes in accounting standards and accounting policies and estimates;
- (iii) government fiscal, monetary and other policies;
- (iv) regulatory developments;
- (v) level of competition;
- (vi) ability to attract and retain employees;
- (vii) accuracy and completeness of information on clients and counterparties;
- (viii) development and integration of the Bank's distribution networks; and
- (ix) environmental risk.

Other factors that may affect actual results include changes in government trade policy, the timely and successful development of new products and services, the Issuer's ability to cross-sell more products to customers, technological changes and the Issuer's reliance on third parties to provide components of the Issuer's business infrastructure, the failure of third parties to comply with their obligations to the Issuer and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Issuer's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Issuer's success in anticipating and managing the associated risks.

The Bank cautions that the foregoing discussion of risk factors, many of which are beyond the Bank's control, is not exhaustive and other factors could also adversely affect the Bank's results. Forward-looking statements in this document include, but are not limited to, statements relating to the Bank's financial performance objectives, the Bank's vision and strategic goals, the Economic market and regulatory review and outlook for Canadian, U.S., European and global economies, the outlook and priorities for each of the Bank's business segments and the risk environment including the Bank's Liquidity and funding management section. When relying on the Bank's forward-looking statements to make decisions with respect to the Bank, investors and others should carefully consider the foregoing factors, other uncertainties and potential events, and other industry- and Bank-specific factors that may adversely affect the Bank's future results and the market valuation placed on the Bank's securities. Unless required by law, the Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Bank or on the Bank's behalf.

Essential Characteristics and Risks Associated with the Programme and Securities issued under the Programme

Description:	Programme for the Issuance of Securities (the “ Programme ”).
Issuer:	Royal Bank of Canada, acting, if applicable, through a branch specified in the applicable Final Terms.
Arrangers:	RBC Europe Limited and Morgan Stanley & Co. International plc.
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Swedish Notes Issuing and Paying Agent:	Skandinaviska Enskilda Banken AB (publ) or any successor appointed from time to time by the Issuer.
Swiss Programme and Paying Agent:	BNP PARIBAS SECURITIES SERVICES, Paris, Zurich Branch
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.
Type of Securities:	The Issuer may from time to time issue Notes, Redeemable Certificates, Exercisable Certificates or Warrants.
Programme Amount:	Up to (i) U.S.\$40,000,000,000 in aggregate principal amount of Notes, Redeemable Certificates and Exercisable Certificates evidencing deposit liabilities under the <i>Bank Act</i> (Canada) and (ii) U.S.\$3,000,000,000 in implied notional amount of Warrants and Exercisable Certificates not evidencing deposit liabilities under the <i>Bank Act</i> (Canada), outstanding at any one time calculated as described in the “General Description of the Programme”.
Clearing Systems:	Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, Euroclear Sweden AB (“ Euroclear Sweden ”), SIX SIS AG, Switzerland (“ SIX SIS ”) and/or any other clearing system as may be specified in the applicable Final Terms.

In respect of the Notes

Dealers for Notes (other than Reference Item linked Notes):	RBC Europe Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Dealer for Reference Item linked Notes:	RBC Europe Limited.

Form of Notes: Notes may be issued in either (a) bearer form and, if in bearer form, either in new global note form or classic global note form, (b) registered form or (c) in the case of Senior Notes, dematerialised uncertificated book-entry form settled in Euroclear Sweden AB (“**Swedish Notes**”) as specified in the applicable Final Terms and, as more fully described in “Form of the Securities - Notes”. If SIX SIS is specified as the clearing system for Senior Notes (“**Swiss Notes**”), the Notes will, following their issuance, be transformed into intermediated securities in accordance with article 6 of the Swiss Federal Intermediated Securities Act.

Issue Price: Notes may be issued on a fully-paid or (in the case of Senior Notes only) partly-paid basis at an issue price which is par or a discount to, or at premium over, par.

Terms of the Notes: Notes may be denominated in any currency specified in the applicable Final Terms with any agreed maturity, subject to compliance with all applicable legal and/or regulatory instructions.

Notes may (i) bear interest at a fixed or floating rate, (ii) not bear interest, (iii) bear interest that is, and/or provide that the amount payable on redemption is, calculated by reference to one or more specified underlying assets or bases of reference such as indices, currency exchange rates, equity securities (including GDRs and ADRs), fund shares or units, commodities, preference shares of the Preference Share Issuer (as defined below), the credit of one or more underlying entities or other financial variables (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Notes, “**Reference Item Linked Notes**”) with the exception of shares or share equivalents of the Issuer or any affiliate (as defined in the *Bank Act* (Canada)) of the Issuer; (iv) be redeemed by physical delivery (“**Physical Delivery Notes**”) of specified asset(s); (v) reference any combination of the foregoing; and/or (vi) have such other terms and conditions as specified in the applicable Final Terms.

If specified in the applicable Final Terms, the Issuer may have the right to vary the means of settlement.

Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable; for taxation reasons; for illegality as described below; following an Event of Default and acceleration of the Notes; or in the case of Index Linked Notes, Equity Linked Notes and Fund Linked Notes, following the occurrence of certain events as described below), or that such Notes will be redeemable at the option of the Bank and/or the Holders.

As at the date hereof, Subordinated Notes may only be redeemed at the option of the Issuer with the prior approval of the Superintendent of Financial Institutions (Canada).

Physical Delivery Notes other than Swiss Notes:	In order to receive the Relevant Asset(s), a Holder must deliver an Asset Transfer Notice on or prior to a specified cut-off date and pay all taxes, duties and/or expenses arising from delivery. If certain disruption events occur on settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.
Covenants:	The Bank has covenanted not to create, incur or permit the existence of indebtedness which, in the event of insolvency or winding-up of the Issuer, will rank subordinate to deposit liabilities and in priority to Subordinated Notes.
Negative Pledge:	None.
Cross-default:	None.
Events of Default:	The events of default applicable to Senior Notes are limited to (i) non-payment of principal or non-delivery of Entitlements or non-payment (subject to a grace period) of interest and (ii) insolvency or bankruptcy, the appointment of a liquidator, receiver or receiver and manager or other officer having similar powers or the taking of control of the Bank or its assets by the Superintendent of Financial Institutions (Canada). The events of default for the Subordinated Notes are limited to insolvency or winding up of the Bank.

In respect of W&C Securities

Dealer:	RBC Europe Limited.
Form of the W&C Securities:	W&C Securities will be issued in classic global certificate form, as is fully described in "Form of the Securities – W&C Securities". If SIX SIS is specified as the Clearing System for W&C Securities (" Swiss W&C Securities "), the W&C Securities will, following their issuance, be transformed into intermediated securities in accordance with article 6 of the Swiss Federal Intermediated Securities Act.
Issue Price:	W&C Securities may be issued at such price as shall be determined by the Issuer and RBC Europe Limited.
Terms of W&C Securities:	The Issuer may from time to time issue W&C Securities of any kind, including but not limited to W&C Securities linked to one or more underlying assets or bases of reference such as indices, currency exchange rates, shares (including GDRs and/or ADRs), fund shares or units, commodities or the credit of one or more underlying entities (each such underlying asset or basis of reference, a " Reference Item " and any Reference Item linked W&C Securities, " Reference Item Linked W&C Securities " and, together with the Reference Item Linked Notes, " Reference Item Linked Securities ") or any combination of the foregoing and on such terms as may be

determined by the Issuer and specified in the applicable Final Terms.

W&C Securities may or may not pay additional amounts as specified in the applicable Final Terms.

Settlement: Settlement may be by way of cash payment (“**Cash Settled**”) or physical delivery (“**Physical Delivery**”). For certain Physical Delivery W&C Securities, if certain disruption events occur on settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.

If specified in the applicable Final Terms, the Issuer may have the right to vary the means of settlement.

Exercise Rights (Exercisable Certificates and Warrants): Exercisable Certificates or Warrants that are European Style W&C Securities are only exercisable on the Exercise Date.

Exercisable Certificates or Warrants that are American Style W&C Securities are exercisable on any Exercise Business Day during the Exercise Period.

Open-Ended W&C Securities are exercisable on any Exercise Date but have no expiration date.

The applicable Final Terms will specify whether or not Exercisable Certificates or Warrants will be automatically exercised. Italian Listed Exercisable Certificates will be automatically exercised. If they are automatically exercised (i) in the case of Cash Settled W&C Securities where Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, or (ii) in the case of Physical Delivery W&C Securities, the Holder must deliver an Exercise Notice prior to a specified cut-off time in order to receive the Cash Settlement Amount or the Entitlement, as the case may be, and pay any required taxes, duties and/or (except in the case of Italian Listed Exercisable Certificates) expenses and (in the case of Warrants) the Exercise Price.

The applicable Final Terms will specify if Exercisable Certificates or Warrants, as the case may be, may be automatically exercised early (as a result of an Issuer Call or a Trigger Early Exercise).

Redemption (Redeemable Certificates): Redeemable Certificates will be redeemed on the Redemption Date.

In the case of Physical Delivery Redeemable Certificates other than Swiss W&C Securities in order to receive the Entitlement in respect of a Redeemable Certificate, the Holder must deliver a Collection Notice prior to a specified cut-off time and pay all taxes, duties and/or (except in the case of Italian Listed Redeemable Certificates) expenses arising from such delivery.

The applicable Final Terms will specify if the Redemption Date for Redeemable Certificates may be brought forward (as a result of an Issuer Call, a Trigger Early Redemption or a Holder put).

Negative Pledge: None.

Cross-Default: None.

Events of Default: The events of default applicable to W&C Securities are limited to (i) non- payment of the cash settlement amount or non-delivery of Entitlements or non-payment (subject to a grace period) of additional amounts and (ii) insolvency or bankruptcy, the appointment of a liquidator, receiver, or receiver and manager or other officer having similar powers or the taking of control of the Bank or its assets by the Superintendent of Financial Institutions (Canada).

Expenses and Taxation: Subject to the obligation of the Issuer to pay extra amounts in respect of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) only as provided for and referred to in Condition 11 and as described in "General - Taxation" below, a holder of a W&C Security must pay (i) all taxes and duties, including stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, and (ii) except in the case of Italian Listed Certificates, expenses including any applicable depositary charges, transaction, exercise or redemption charges, in either case arising from the exercise and settlement or redemption (as applicable) of such W&C Security and/or if applicable, delivery of the Entitlement.

Subject to the obligation of the Issuer to pay (i) extra amounts as provided for and referred to in Condition 11 in respect of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) only and as described in "General - Taxation" below and (ii) in the case of Italian Listed Certificates, all expenses (including any applicable depositary charges, transaction or exercise or redemption charges) arising from the exercise, settlement and renouncement (if applicable) of such Certificates, the Issuer shall not otherwise be liable for or obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Security by any person and all payments and/or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

**Reference Item
Linked Securities**

Index Linked Securities: Amounts payable in respect of Index Linked Securities will be calculated by reference to one of more Indices. The Index may reference or comprise reference equities, bonds, property, currency

exchange rates or other assets or bases of reference.

Index Linked Securities may be subject to early redemption or cancellation, as applicable, or adjustment (including, in certain circumstances, substitutions of underlying indices) if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index's sponsor fails to calculate and announce the Index, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity's hedging arrangements.

If certain disruption events occur with respect to valuation of an Index, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Equity Linked Securities:

Amounts payable in respect of Equity Linked Securities will be calculated by reference to a single equity security or a basket of equity securities. Equity Linked Securities may also provide for settlement or redemption by physical delivery of the specified amount of equity securities of one or more companies, subject to payment of the Exercise Price (in the case of Warrants) and any related expenses.

If so specified in the applicable Final Terms, Equity Linked Securities may, at the discretion of the Issuer, be subject to early redemption or cancellation, as the case may be, or adjustment (including valuations and, in certain circumstances, substitutions of equity securities) if certain corporate events (such as events affecting the value of an equity security (including equity security divisions or consolidations, extraordinary dividends and capital calls); de-listing of an equity security; insolvency, merger or nationalisation of an equity security issuer; a tender offer or redenomination of an equity security) occur, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity's hedging arrangements, or if insolvency filings are made with respect to an equity security issuer.

If certain disruption events occur with respect to valuation of an equity security, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

GDR/ADR Linked Securities:

Amounts payable in respect of GDR/ADR Linked Securities will be calculated by reference to a single global depository receipt ("**GDRs**") or American depository receipt ("**ADRs**") (and together with GDRs, "**Depository Receipts**") or a basket of GDRs and/or ADRs. GDR/ADR Linked Securities may also provide for settlement or redemption by physical delivery of the specified amount of GDRs and/or ADRs subject to payment of the Exercise Price (in the case of Warrants) and any related expenses.

If so specified in the applicable Final Terms, GDR/ADR Linked Securities may, at the discretion of the Issuer, be subject to early

redemption or cancellation, as the case may be, or adjustment (including valuation and in certain circumstances GDR/ADR substitutions) if certain corporate events (such as events affecting the value of a GDR and/or ADR or an underlying equity security (including GDR, ADR or underlying equity security divisions or consolidations, extraordinary dividends and capital calls); de-listing of a GDR, ADR or underlying equity security; insolvency, merger or nationalisation of an underlying equity security issuer; or a tender offer or redenomination of a GDR, ADR and/or underlying equity security) occurs, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity's hedging arrangements; or if insolvency filings are made with respect to an underlying equity security issuer.

If certain disruption events occur with respect to valuation of an underlying equity security, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Fund Linked Securities:

Amounts payable in respect of Fund Linked Securities will be calculated by reference to units, interests or equity securities in a single Fund or basket of Funds. Fund Linked Securities may also provide for settlement by physical delivery of a specified amount of units, interests or equity securities of one or more Funds, subject to payment of the Exercise Price (in the case of Warrants) and any sums specified to be payable.

Fund Linked Securities may, at the discretion of the Issuer, be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuations and fund substitutions) if certain corporate events (such as insolvency (or an analogous event) or nationalisation of a Fund; litigation against, or regulatory events occurring with respect to a Fund; suspensions of Fund subscriptions or redemptions; certain changes in net asset value or violations of leverage restrictions of a Fund; Fund reporting disruptions, or modifications to the investment objectives or changes in the nature or administration of a Fund) occur, if certain valuation or settlement disruption events occur with respect to a Fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity's hedging arrangements.

Fund Linked Securities linked to Exchange Traded Funds may be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuation) if certain corporate events (such as events affecting the value of a Fund Share including share divisions or consolidation, de-listing of a Fund Share, insolvency, merger or nationalisation of a Fund Share issuer, or a tender offer of a Fund Share) or modifications of its investment objectives occur or if certain events occur with respect to the Hedging Entity's hedging arrangements, or if insolvency filings are made with respect to an

underlying Fund.

If certain disruption events occur with respect to the valuation of a Fund Share in respect of an Exchange Traded Fund, such valuation may be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Preference Share
Linked Notes:

Amounts payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of specified preference shares of RBC GELP (UK) Limited (the “**Preference Share Issuer**”).

Preference Share Linked Notes will be subject to early redemption if certain corporate events (such as insolvency, merger or nationalisation of the Preference Share Issuer or a tender offer) occur, or if certain events (such as illegality, hedging disruptions or cost increases) occur with respect to the Issuer's or any Hedging Entity's hedging arrangements, or if insolvency filings are made with respect to the Preference Share Issuer or if the Issuer, or any of its affiliates, receives notice from the Preference Share Issuer that the relevant preference shares are to be redeemed prior to the Maturity Date.

Commodity Linked
Securities:

Amounts payable in respect of Commodity Linked Securities will be calculated by reference to a single commodity, a commodity index or a basket of commodities and/or commodity indices. Commodity Linked Securities may also provide for settlement or redemption by physical delivery of certain specified securities (but not commodities) subject to payment of the Exercise Price (in the case of Warrants) and any related expenses.

Commodity Linked Securities may be subject to early redemption or cancellation, as the case may be, or adjustment if certain disruption events occur.

If certain disruption events occur with respect to valuation of a commodity or commodity index, such valuation may be postponed and/or may be made by the Calculation Agent or may be made by reference to an alternative commodity reference price. Payments may also be postponed.

Currency Linked
Securities:

Amounts payable in respect of Currency Linked Securities will be calculated by reference to the rate of exchange of a single currency or basket of currencies. Currency Linked Securities may also provide for settlement by physical delivery of a specified amount of the relevant currencies, subject to payment of the Exercise Price (in the case of Warrants) and any relevant sums payable.

If certain disruption events occur with respect to a rate of exchange of a single currency or basket of currencies, such valuation may be postponed and/or made by the Calculation Agent.

General

- Status: Notes may be issued on a subordinated or unsubordinated basis. None of the Securities will be deposits insured under the *Canada Deposit Insurance Corporation Act (Canada)*.
- Senior Notes and W&C Securities will constitute unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference amongst themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (including deposit liabilities), except as otherwise prescribed by law.
- Subordinated Notes will constitute direct unsecured obligations of the Issuer evidencing subordinated indebtedness for the purposes of the *Bank Act (Canada)* and will rank *pari passu* with all other present or future subordinated indebtedness of the Issuer other than subordinated indebtedness having priority to the Subordinated Notes by virtue of any law now or hereafter in force.
- The subordinated indebtedness evidenced by the Subordinated Notes will, in the event of the insolvency or winding-up of the Issuer, be subordinate in right of payment to all deposit liabilities of the Issuer and all other liabilities of the Issuer except those that, by their terms, rank equally with or are subordinate to such subordinated indebtedness and except as otherwise prescribed by law.
- Protection Amount: In respect of a Series of Reference Item Linked Securities to which a Protection Amount is specified in the applicable Final Terms, the Final Redemption Amount or Cash Settlement Amount, as the case may be, will in no circumstances be paid at the stated Maturity Date, Redemption Date or Settlement Date (as applicable) at less than the specified percentage of the principal amount of such Note or, in the case of Redeemable Certificates, such other amount indicated in the applicable Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Securities are redeemed or cancelled prior to their stated Maturity Date, Redemption Date or Settlement Date (as applicable) or upon the occurrence of, among others, an Early Redemption for Taxation Reasons, an Index Adjustment Event, a Potential Adjustment Event, an Extraordinary Event, a Fund Event or an Event of Default (as applicable).
- Substitution: The terms of Notes, Redeemable Certificates and Exercisable Certificates specifying a branch will permit the substitution of the branch of account if such branch is outside Canada, subject to certain terms and conditions.
- Illegality: In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under a Series or that any arrangements made to hedge the Issuer's obligations under such Series has or will become unlawful, illegal, or otherwise prohibited in

whole or in part, the Issuer may, having given notice to Holders, redeem or cancel (as applicable) all, but not some only, of the Securities of such Series.

Taxation: Except as required by law and subject to the Issuer's obligation to pay additional amounts as provided for or referred to in Condition 18 (in the case of the Notes) or extra amounts as provided for or referred to in Condition 11.03 (in the case of the Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) only), payments in respect of Securities will not be subject to withholding tax under the laws of Canada or any province or territory thereof and, in the case of Notes or Certificates issued through a branch outside Canada, the laws of the country in which the branch is located (see Condition 18 of the Notes or Condition 11.03 of the W&C Securities).

In the case of Warrants and Exercisable Certificates that do not evidence deposit liabilities under the *Bank Act* (Canada), the Issuer is not required to pay extra amounts in respect of any withholding tax required under the laws of Canada or any province or territory thereof.

Governing Law: Securities (other than Swedish Notes, Swiss Notes and Swiss W&C Securities) will be governed by and construed in accordance with (a) the laws of the Province of Ontario and the federal laws of Canada applicable therein or (b) in the case of Senior Notes or W&C Securities issued on a non-syndicated basis and if so specified in the applicable Final Terms, English law.

Swedish Notes shall be governed by English law.

Swiss Notes and Swiss W&C Securities shall be governed by English law.

Listing and Public Offers: Each Series may be admitted to (i) the Official List and to trading on the Market or the PSM, (ii) the SIX Swiss Exchange and, in the case of Reference Item Linked Securities, to trading on Scoach Switzerland, (iii) the markets organised and managed by Borsa Italiana S.p.A. (*i.e.* the "electronic bond market" ("**MOT**") for the Notes and the "electronic securitised derivatives market" (the "**SeDeX**") for the Italian Certificates), (iv) the NASDAQ OMX Stockholm Exchange (only in respect of Swedish Notes) and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms or may be unlisted. If the Securities are listed or admitted to trading, the Securities may be de-listed if the Bank in good faith determines that it is impracticable or unduly burdensome to maintain such listing or admission to trading. The Issuer is not under any obligation to Holders to maintain any listing of the Securities. See "Risk Factors – No obligation to maintain listing".

Securities may be offered to the public in the European Economic

Area to the extent specified in the applicable Final Terms.

Selling Restrictions: The Securities may be offered for sale only outside the United States to non-U.S. persons in reliance on and in accordance with Regulation S (Category 2) and in accordance with applicable laws. Bearer Notes and W&C Securities are also subject to U.S. tax law requirements and may not be sold, offered or delivered in the United States or to United States Persons as defined in the U.S. Treasury regulations. See "Subscription and Sale".

Risk Factors: Securities may involve a high degree of risk. There are certain factors which are material for the purpose of assessing the market risks associated with investing in any issue of Securities. See "Risk Factors".

The Issuer may issue Securities with principal, premium, interest, amounts deliverable or other amounts determined by reference to Reference Items.

Prospective Investors should understand the risks of transactions involving Reference Item Linked Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Securities and the particular Reference Item(s) to which the value of, or payments and/or deliveries in respect of, the relevant Reference Item Linked Securities may relate, as specified in the applicable Final Terms.

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Securities will represent an investment linked to the performance of such Reference Item(s) and prospective Investors should note that the return (if any) on their investment in the Securities will depend upon the performance of the relevant Reference Item(s). In addition to structural risks relating to such Securities (including Index Linked Securities, Equity Linked Securities, Fund Linked Securities, Preference Share Linked Notes and Commodity Linked Securities), other risks include market disruption in respect of relevant Reference Items, settlement disruption, expenses required for Physical Delivery, hedging and other potential conflicts of interest, tax treatment, binding modifications by specified majorities at meetings, Canadian usury laws, early redemptions, possible illiquidity of the Securities, exchange rate risks, credit ratings, no obligation to maintain listing, time lag between exercise of W&C Securities and determination of amounts payable, absence of a pre-determined expiration date for Open-Ended W&C Securities, the market value of W&C Securities may be affected by the creditworthiness of the Issuer and holders of W&C Securities must pay all expenses, including taxes, relating to the W&C Securities (subject to the Issuer's gross up obligation in respect

of Certificates that evidence deposit liabilities) and the Issuer has no obligation to gross up in respect of withholding tax applicable to Warrants or Certificates that are not deposits. See "Risk Factors".

IN THE CASE OF REFERENCE ITEM LINKED SECURITIES, PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW ANY CASH AMOUNT IS PAYABLE OR ENTITLEMENT DELIVERABLE AND HOW ANY PERIODIC INTEREST (IN THE CASE OF NOTES) OR ADDITIONAL AMOUNT (IN THE CASE OF W&C SECURITIES) PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED SECURITIES.

RISK FACTORS

The Issuer believes that the following factors are material for the purpose of assessing risks associated with the Issuer. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingencies may affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities. In addition, factors, although not exhaustive, which could be material for the purpose of assessing the market risk associated with Securities issued under the Programme are also described below. Except as required by law, the Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Bank or on the Bank's behalf.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities or deliver the specified assets in connection with physical delivery Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on the business operations of the Issuer or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities or deliver the specified assets in connection with physical delivery Securities. The Final Terms in respect of an issue of Securities may contain additional Risk Factors in respect of such Securities. Prospective Investors should also read the detailed information set out elsewhere in this document (including information incorporated by reference) and any applicable Final Terms to reach their own views prior to making any investment decisions.

Contents of the Risk Factors

- 1. Factors which are material for the purpose of assessing risks associated with the Issuer**
- 2. Factors that are material for the purpose of assessing the market risks associated with Securities issued under the Programme**
- 3. Risks related to the structure of a particular issue of Securities**
 - 3.1 Risks relating to Notes generally**
 - 3.2 Risks relating to W&C Securities generally**
 - 3.3 Risks relating to Reference Item Linked Securities generally**
 - 3.4 Risks relating to Specific Reference Item Linked Securities**
- 4. Risks related to the Securities generally**
- 5. Risks related to the market generally**

1. Factors which are material for the purpose of assessing risks associated with the Issuer

Banking and financial services involves inherent risks. Prospective Investors should consider credit risk, market risk, liquidity and funding management, operational risk, legal and regulatory compliance risk, insurance risk, reputation risk, and strategic risk summarised below and described in the “Risk management” section beginning on page 41 and the “Overview of other risks” section beginning on page 55 of the 2011 Annual Report and the “Risk management” section on pages 20 to 27 of the First Quarter 2012 Report to Shareholders, which documents are incorporated by reference herein and which sections supplement the Risk Factors set out below:

Credit risk

Credit risk is the risk of loss associated with an obligor’s potential inability or unwillingness to fulfil its contractual obligations. Credit risk may arise directly from the risk of default of a primary obligor (e.g. issuer, debtor, counterparty, borrower or policyholder), or indirectly from a secondary obligor (e.g. guarantor or reinsurer).

The failure to effectively manage credit risk across the Issuer and all its products, services and activities can have a direct, immediate and material impact on the Issuer’s earnings and reputation.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity or commodity prices, and credit spreads. The Issuer is exposed to market risk in its trading activity and the Issuer’s asset/liability management activities. The level to which the Issuer is exposed varies depending on market conditions, expectations of future price and yield movements and the composition of the Issuer’s trading portfolio.

Liquidity and funding risk

Liquidity and funding risk is the risk that the Issuer may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments as they come due.

Operational risk

Operational risk is the risk of loss or harm resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk is embedded in all of the Issuer’s activities, including the practices and controls used to manage other risks. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, regulatory censure, or failure in the management of other risks such as credit or market risk.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities

admitted to the Official List or as a supervised firm regulated by the Financial Services Authority.

Legal and regulatory compliance risk

Legal and regulatory compliance risk is the risk of negative impact to business activities, earnings or capital, regulatory relationships or reputation as a result of failure to comply with or a failure to adapt to current and changing regulations, law, industry codes or rules, regulatory expectations, or ethical standards.

Laws and regulations are in place to protect the financial and other interests of the Issuer's clients, investors and the public. Changes to laws, including tax laws, regulations or regulatory policies, as well as the changes in how they are interpreted, implemented or enforced, could adversely affect the Issuer, for example by lowering barriers to entry in the businesses in which it operates or increasing its costs of compliance. Further, there is no assurance that the Issuer always will be or will be deemed to be in compliance with laws, regulations or regulatory policies. Accordingly, it is possible that the Issuer could receive a judicial or regulatory judgment or decision that results in fines, damages, and other costs or injunctions or loss of licenses or registrations that would damage its reputation and negatively impact on its earnings. In addition, the Issuer is subject to litigation arising in the ordinary course of its business and the adverse resolution of any litigation could have a material adverse effect on its results or could give rise to significant reputational damage, which in turn could impact its future business prospects.

Insurance risk

Insurance risk refers to the potential financial loss that may arise where the amount, timing and/or frequency of benefit payments under insurance contracts exceeds that expected. Insurance risk does not include other risks covered by other parts of the Bank's risk management framework (e.g. credit, market and operational risk) where those risks are ancillary to the risk transfer.

Reputation risk

Reputation risk is the risk that an activity undertaken by an organisation or its representatives will impair its image in the community or lower public confidence in it, resulting in the loss of business, legal action or increased regulatory oversight.

Reputation risk can arise from a number of events and primarily occurs in connection with credit risk, regulatory, legal and operational risks. Operational failures and non-compliance with laws and regulations can have a significant reputational impact on the Issuer.

Strategic risk

Strategic risk is the risk that the enterprise or particular business areas will make inappropriate strategic choices, or will be unable to successfully implement selected strategies or related plans and decisions.

In addition to the risks set out above, the following discussion sets out further risks which the Issuer believes could adversely affect its business and financial results.

General business and economic conditions

The Issuer's earnings are significantly affected by the general business and economic conditions in the geographic regions in which it operates. These conditions include consumer saving and spending habits as well as consumer borrowing and repayment patterns, business investment, government spending, the level of activity and volatility of the capital markets and inflation. For example, an economic downturn may result in high unemployment and lower family income, corporate earnings, business investment and consumer spending, and could adversely affect the demand for the Issuer's loan and other products and result in higher provision for credit losses. Given the importance of the Issuer's Canadian operations, an economic downturn in Canada or in the U.S. impacting Canada would largely affect the Issuer's personal and business lending activities in Canadian Banking and could significantly impact its results of operations.

Changes in accounting standards and accounting policies and estimates

The Issuer adopted IFRS for interim and annual periods commencing on November 1, 2011. Further details on the Issuer's adoption of IFRS, including the impact on the Issuer's capital position, are set out in the section entitled "Accounting and control matters" in the Issuer's 2011 Annual Report and the Issuer's First Quarter 2012 Report to Shareholders.

From time to time the International Accounting Standards Board may change the financial accounting and reporting standards that govern the preparation of the Issuer's financial statements. These changes can be difficult to anticipate and can materially impact how the Issuer records and reports its financial condition and results of operations. In some instances, the Issuer may be required to retroactively apply a new or revised standard that results in it restating prior period financial statements. Significant accounting policies are described in Note 1 to the Issuer's 2011 Audited Consolidated Financial Statements and in Note 2 to the Issuer's First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements, which documents are incorporated by reference herein.

Government fiscal, monetary and other policies

The Issuer's businesses and earnings are affected by the fiscal, monetary or other policies that are adopted by the Bank of Canada and various other Canadian regulatory authorities, the Board of Governors of the Federal Reserve System in the U.S. and other U.S. government authorities, as well as those adopted by international regulatory authorities and agencies, in jurisdictions in which the Issuer operates. As well, such policies can adversely affect the Issuer's clients and counterparties in Canada, the U.S. and internationally, which may increase the risk of default by such clients and counterparties.

Regulatory Developments

The Issuer's businesses and earnings are affected by a number of regulatory developments, including the Basel Committee on Banking Supervision global standards for capital and liquidity reform (Basel III), the payments system in Canada, over-the-counter derivatives reform, consumer protection measures, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder (including regulations

to implement the Volcker Rule prohibition on proprietary trading and hedge or private equity fund investments by banking entities), and regulatory reform in the United Kingdom.

Level of competition

The competition for clients among financial services companies in the markets in which the Issuer operates is intense. Client loyalty and retention can be influenced by a number of factors, including new technology used or services offered by the Issuer's competitors, relative service levels, the prices and attributes of the Issuer's products or services, the Issuer's reputation and actions taken by the Issuer's competitors. Other financial services companies, such as insurance companies and non-financial companies, are increasingly offering services traditionally provided by banks. Such competition could also reduce net interest income, fee revenue and adversely affect the Issuer's earnings.

Ability to attract and to retain employees

Competition for qualified employees is intense within the financial services industry and from non-financial industries looking to recruit. Although it is the Issuer's goal to retain and attract qualified employees, there is no assurance that it will be able to do so.

Accuracy and completeness of information on clients and counterparties

When deciding to extend credit or enter into other transactions with clients and counterparties, the Issuer may rely on information provided by or on behalf of clients and counterparties, including audited financial statements and other financial information. The Issuer may also rely on representations of clients and counterparties as to the completeness and accuracy of that information. The Issuer's financial results could be adversely impacted if the financial statements and other financial information relating to clients and counterparties on which it relies do not comply with Canadian GAAP or IFRS, as applicable, or are materially misleading.

Development and integration of the Issuer's distribution networks

Although the Issuer regularly explores opportunities to expand its distribution networks, either through acquisitions or organically by adding, for example, new bank branches, insurance offices, online savings accounts and automated teller machines in high-growth, receptive markets in Canada, the U.S. and internationally, if the Issuer is not able to develop or integrate these distribution networks effectively, its results of operations and financial condition may be negatively affected.

Environmental risk

Environmental risk is the risk of loss to financial, operational or reputational value resulting from the impact of environmental issues. Environmental risk arises from the Issuer's business activities and its operations. For example, the environmental issues associated with the Issuer's clients' purchase and sale of contaminated property or development of large-scale projects may give rise to credit and reputation risk for the Issuer. Operational and legal risks may arise from environmental issues at the Issuer's branches, offices or data processing centres.

Other factors

Other factors that may affect actual results include changes in government trade policy, the timely and successful development of new products and services, the Issuer's ability to cross-sell more products to customers, technological changes and the Issuer's reliance on third parties to provide components of the Issuer's business infrastructure, the failure of third parties to comply with their obligations to the Issuer and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Issuer's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Issuer's success in anticipating and managing the associated risks.

Future Accounting and Reporting Changes

The Bank converted to IFRS on November 1, 2011 when Canadian GAAP for the Bank, as a publicly accountable entity, was replaced by IFRS. For the Bank, IFRS was effective for the interim and annual periods beginning in the first quarter of fiscal 2012. The fiscal 2012 audited consolidated financial statements will include comparative fiscal 2011 financial results under IFRS. The International Accounting Standards Board (IASB) issues IFRS. IFRS uses a conceptual framework similar to Canadian GAAP, but there are some differences related to items such as recognition, measurement and disclosures.

2. Factors that are material for the purpose of assessing the market risks associated with Securities issued under the Programme

The Securities may not be a suitable investment for all Investors

Each of the risks highlighted below could adversely affect the trading price of any Securities or the rights of Holders under any Securities and, as a result, Investors could lose some or all of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the Issuer may be unable to pay or deliver amounts or specified assets on or in connection with any Securities for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive.

Each potential Investor in the Securities must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential Investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus (including any applicable supplement) or any applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more

currencies, or where the Specified Currency or Settlement Currency is different from the potential Investor's currency;

- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition an investment in Equity Linked Securities, Index Linked Securities, Fund Linked Securities, Commodity Linked Securities, Currency Linked Securities, Preference Share Linked Notes (each as defined below) or other Reference Item Linked Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including but not limited to, the risks set out in "Risks related to the structure of a particular issue of Securities" set out below.

Some Securities are complex financial instruments. Sophisticated institutional Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effect on the value of the Securities and the impact this investment will have on the potential Investor's overall investment portfolio.

No interest or additional amounts may be payable under the Securities

Prospective Investors should note that the terms and conditions of the Securities may provide that no interest or additional amounts may be paid on the Securities on or prior to their redemption or settlement date. An Investor in such Securities, in the context of its own financial position, must be capable of holding such Securities to maturity with no income stream in the form of interest or additional amounts payments.

As there may be no periodic payment of interest or additional amounts to the Holders, any increase in the value of the underlying, as the case may be, will not be crystallised until the Securities are redeemed or settled (as applicable), and the Securities may fall in value at any time prior to redemption or settlement (as applicable).

3. Risks related to the structure of a particular issue of Securities

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential Investors, the most common of which are set out below:

3.1 Risks relating to Notes generally

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment (provided however that the Issuer may not issue Partly Paid Subordinated Notes). Failure to pay any subsequent instalment when so required could result in an Investor losing all of its investment.

Notes subject to optional or mandatory early redemption by the Issuer

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

If the Notes are redeemable early at the Issuer's option or otherwise subject to mandatory redemption, the Issuer may be expected to (in the case of optional redemption) or must (in the case of mandatory redemption) redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Certain Notes may be redeemed early at their then market value less associated costs, in each case according to the Note Conditions. The market value of such Notes upon early redemption may be substantially less than par or even zero.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated obligations of the Issuer. The Subordinated Notes will, in the event of the insolvency or winding up of the Issuer, be subordinated in right of payment to all deposit liabilities and all other liabilities of the Issuer except those which by their terms rank equally with or are subordinate to such Subordinated Notes and except as otherwise prescribed by law. Although Subordinated Notes may pay a higher rate of interest than comparable Securities which are not subordinated, there is a real risk that Investors in Subordinated Notes will lose some or all of their investment should the Issuer become insolvent. Holders of Subordinated Notes have only a limited right to accelerate payment of principal on default and a default may be declared and the obligation to repay principal accelerated only in prescribed circumstances summarised under "Events of Default" in the Note Conditions. Except to the extent regulatory capital requirements affect the Issuer's decisions to issue subordinated debt or more senior debt, there is no limit on the Issuer's ability to incur subordinated debt or more senior debt.

Notes in New Global Notes form

The New Global Note form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystem") and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However in any particular case such recognition will depend upon satisfaction of the

Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

3.2 Risks relating to W&C Securities generally

Certain Factors Affecting the Value and Trading Price of W&C Securities

Either (1) the Cash Settlement Amount (in the case of Cash Settled W&C Securities) or (2) the value of the specified assets less (in the case of Warrants) the Exercise Price (in the case of Physical Delivery W&C Securities) (the “**Physical Settlement Value**”) at any time prior to expiration (in the case of an Exercisable Certificate or Warrant) or redemption (in the case of a Redeemable Certificate) is typically expected to be less than the trading price of such W&C Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the “time value” of the W&C Securities. The “time value” of the W&C Securities will depend partly upon the length of the period remaining to expiration (in the case of an Exercisable Certificate or Warrant) or redemption (in the case of a Redeemable Certificate) and expectations concerning the price or level of the Reference Item(s). W&C Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the W&C Securities varies with the price or level of the Reference Item(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising (in the case of Exercisable Certificates or Warrants) or selling W&C Securities, Holders should carefully consider, among other things, (i) the trading price of the W&C Securities, (ii) the price or level and volatility of the Reference Item(s), (iii) the time remaining to expiration or automatic exercise (in the case of an Exercisable Certificate or Warrant) or redemption (in the case of a Redeemable Certificate), (iv) in the case of Cash Settled W&C Securities, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates and (vii) any related transaction costs.

An optional call or Trigger Early Exercise or redemption feature in W&C Securities is likely to limit their market value. In the case of an optional call feature, during any period when the Issuer may elect to call W&C Securities, the market value of those W&C Securities generally will not rise substantially above the price at which they can be exercised or redeemed. This also may be true prior to any call period. In the case of a mandatory exercise or redemption feature, if the relevant Trigger Early Exercise Event or Trigger Early Redemption Event (as applicable) occurs the W&C Securities will be exercised or redeemed prior to their originally designated redemption or expiry date. Potential Investors should be aware that in certain circumstances, an optional call or Trigger Early Exercise or redemption of the W&C Securities by the Issuer may result in a loss of all or a substantial portion of their investment.

Expenses and Taxes

Subject to the Issuer's obligation to pay extra amounts in respect of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) (in the case of Exercisable Certificates, the applicable Final Terms will indicate if they evidence deposit liabilities) only as provided for and referred to in Condition 11.03 of the W&C Security Conditions, a Holder of a W&C Security must pay all Expenses relating to the W&C Securities. As used in the W&C Security Conditions, “**Expenses**” means (i) in the case of Italian Listed Certificates, all taxes or duties relating to such Italian Listed Certificates or (ii) in the case W&C Securities which are not Italian Listed Certificates, all taxes, duties and/or

expenses, including any applicable depositary charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of the W&C Securities and/or, where applicable, the delivery or transfer of any specified assets as more fully set out in Condition 11 of the W&C Security Conditions.

Subject to the Issuer's obligation to pay (i) extra amounts in respect of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) (in the case of Exercisable Certificates, the applicable Final Terms will indicate if they evidence deposit liabilities) only as provided for and referred to in Condition 11.03 of the W&C Security Conditions and (ii) in the case of Italian Listed Certificates, all expenses, including any applicable depositary charges, transaction or exercise or redemption charges, the Issuer will not otherwise be liable for, or obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise (in the case of the Exercisable Certificates or Warrants), redemption (in the case of Redeemable Certificates) or enforcement of any W&C Security by any person and all payments and/or deliveries made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Risks relating to Exercisable Certificates and Warrants

There will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined, and such time lag could decrease the Cash Settlement Amount

In the case of any exercise of Exercisable Certificates or Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Exercisable Certificates and Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the W&C Security Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Exercisable Certificates or Warrants arising from any daily maximum exercise limitation (in the case of American Style W&C Securities), the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Linked W&C Securities. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Exercisable Certificates or Warrants being exercised and may result in such Cash Settlement Amount being zero.

Holders may have to tender a specified number of Exercisable Certificates or Warrants at any one time in order to exercise

If so indicated in the applicable Final Terms, a Holder must tender or hold a specified number of Exercisable Certificates or Warrants at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Exercisable Certificates or Warrants will either have to sell their Exercisable Certificates or Warrants, or purchase additional Exercisable Certificates or Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, Holders of such Exercisable Certificates or Warrants incur the risk that there may be differences between the trading price of such Exercisable Certificates or Warrants, as applicable, and the Cash Settlement Amount (in the case of Cash Settled W&C Securities) or the Physical Settlement Value (in the case of Physical Delivery W&C Securities) of such Exercisable Certificates or Warrants.

The number of American Style W&C Securities exercisable on any date other than the Expiration Date may be subject to a maximum

In the case of American Style W&C Securities, if so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of American Style W&C Securities exercisable on any date (other than the Expiration Date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of American Style W&C Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of American Style W&C Securities being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Issuer elects to limit the number of American Style W&C Securities exercisable on such date, a Holder may not be able to exercise on such date all American Style W&C Securities that such Holder desires to exercise. In any such case, the number of American Style W&C Securities to be exercised on such date will be reduced until the total number of American Style W&C Securities exercised on such date no longer exceeds such maximum, such American Style W&C Securities to be exercised being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the American Style W&C Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which American Style W&C Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Exercise Notices

In order to receive payment of any amount or delivery of any specified assets due under (i) an Exercisable Certificate or Warrant that is not automatically exercised, (ii) an automatically exercised Cash Settled W&C Security where Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, or (iii) an automatically exercised Physical Delivery W&C Security, the relevant Holder will be required to deliver or send to the relevant clearing system or, for Swiss W&C Securities, the Swiss Programme and Paying Agent, in a manner acceptable to such clearing system or, as applicable the Swiss Programme and Paying Agent, a duly completed Exercise Notice, with a copy to the Issuer and, in respect of Securities other than Swiss W&C Securities, the Issuing and Paying Agent in accordance with the W&C Security Conditions.

If, in the case of Exercisable Certificates or Warrants other than ones subject to “**Automatic Exercise**”, a Holder does not submit a valid Exercise Notice before the Expiration Date of the W&C Securities, such Exercisable Certificates or Warrants, as applicable, will become void.

In the case of Exercisable Certificates or Warrants subject to “**Automatic Exercise**” (i) in the case of Cash Settled W&C Securities where Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, or (ii) in the case of Physical Delivery W&C Securities, if an Exercise Notice is not submitted within 180 days after the Expiration Date or Actual Exercise Date (as applicable), the Issuer’s obligations in respect of the Securities shall be discharged.

No Gross-up for certain W&C Securities

The Issuer has no obligation to pay any holder of Warrants and Exercisable Certificates that do not evidence deposit liabilities under the *Bank Act* (Canada) (in the case of the Exercisable Certificates, the applicable Final Terms will indicate if they evidence deposit liabilities) any extra amounts in the event there is any withholding or deduction for taxes as set out in Condition 11.03 of the W&C Conditions.

Open-Ended W&C Securities

Open-Ended W&C Securities do not have any pre-determined cancellation date or expiration date and may be cancelled on any date determined by the Issuer, in its sole and absolute discretion, subject to compliance with the W&C Security Conditions. Investment in Open-Ended W&C Securities will entail additional risks compared with other W&C Securities, due to the fact that the cancellation date or expiration date for such Open-Ended W&C Securities cannot be determined by the Investors.

3.3 Risks relating to Reference Item Linked Securities generally

The Issuer may issue Reference Item Linked Securities with principal, premium, interest or other amounts determined by reference to a particular Reference Item. In addition, the Issuer may issue Securities with principal or interest or other amounts payable in one or more currencies which may be different from the currency in which the Securities are denominated. An investment in such Securities entails significant risks that are not associated with similar investments in a conventional debt or equity securities and in some circumstances the value of the Securities and/or the amount paid at maturity, exercise or redemption (as applicable) may be less than the purchase price amount of the Securities and may be zero in which case an Investor may lose some or all of the amount it invested in the Securities. Potential Investors should be aware that:

- (i) the market price of such Securities may be volatile and the market price of the Securities at any time is likely to be affected primarily by changes in the level of the Reference Item to which the Securities are linked. It is impossible to predict how the level of the Reference Item will vary over time;
- (ii) they may receive no interest or additional amounts, as applicable, or they may receive interest or additional amounts at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal, interest or other amounts may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their investment;
- (v) if the principal of and/or premium or other amount payable on such a Security is so indexed, the amount of principal and/or premium or other amount payable in respect thereof may be less than the original purchase price of such Security and less than the nominal or face amount of Securities, and the amount of principal and/or premium or other amount payable may even be zero;
- (vi) Investors should be willing to hold these Securities until the maturity date, redemption date or expiration date (as applicable) as the secondary market for such Securities may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Securities may be sold prior to maturity, redemption, settlement or expiration;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the

time remaining to the maturity, settlement, redemption or expiration (as applicable) of such Securities, the amount outstanding of such Securities, market interest rates, yield rates and the market for other types of related and unrelated financial instruments and where the Reference Item(s) are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;

- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item and/or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amounts payable with respect to such Securities contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;
- (ix) the timing of changes in a Reference Item(s) may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item(s), the greater the effect on yield;
- (x) with respect to Equity Linked Securities, if such Securities are redeemable or settled (as applicable) either by payment of a cash amount or by delivery of the underlying securities in lieu thereof, there is no assurance that the cash amount or value of the securities received will not be less than the purchase price of the Securities;
- (xi) Securities are of limited maturity and, unlike direct investments in a share, index, fund, security, index, commodity or other asset, investors are not able to hold them beyond the maturity date, redemption date, settlement date or expiration date (as applicable) in the expectation of a recovery in the price of the underlying; and
- (xii) the price at which an investor will be able to sell Securities prior to the maturity date, redemption date, settlement date or expiration date (as applicable) may be at a substantial discount to the market value of the Securities at the time they are issued depending on the performance of the Reference Item.

The historical experience of the relevant currencies, commodities, interest rates, equities, indices, funds or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, indices, funds or other financial variables during the term of any Security. Prospective Investors should consult their own financial and legal advisors as to the risks entailed by an investment in such Securities and the suitability of such Securities in light of their particular circumstances.

Prospective Investors in Reference Item Linked Securities should understand the risks of transactions involving such Reference Item Linked Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Securities and

the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Securities may relate, as specified in the applicable Final Terms.

As the amount of interest or additional amount (as applicable) payable periodically and/or amount payable at maturity, redemption or settlement (as applicable) may be linked to the performance of the Reference Item(s), an Investor in such a Reference Item Linked Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Reference Item Linked Securities will represent an investment linked to the economic performance of such Reference Item(s) and prospective Investors should note that the return (if any) on their investment in such Reference Item Linked Securities will depend upon the performance of such Reference Item(s). Potential Investors should also note that while the market value of Reference Item Linked Securities is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Securities represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the relevant maturity date, settlement date or redemption date (as applicable) as well as periodic payments of interest or additional amounts (as applicable) (if specified in the applicable Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Final Terms will set out the provisions for the determination of any cash amount and/or specified assets and of any periodic interest or additional amount payments (as applicable).

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR SPECIFIED ASSETS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST OR ADDITIONAL AMOUNT (AS APPLICABLE) ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED SECURITIES.

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Securities. Investors in Reference Item Linked Securities may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Securities other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the maturity date, redemption date or settlement date (as applicable) and payment of any periodic interest or additional amount (as applicable).

Other factors which may influence the market value of Reference Item Linked Securities include the creditworthiness of the Issuer, the issuer of the relevant Reference Item(s) (if applicable), general market sentiment, interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market

expectations regarding the future performance of the relevant Reference Item(s), its composition and such Reference Item Linked Securities.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item(s) on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item(s) and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item(s) and therefore may affect the return on an investment in Reference Item Linked Securities.

The Issuer may issue several issues of Reference Item Linked Securities relating to a particular Reference Item(s). However, no assurance can be given that the Issuer will issue any Reference Item Linked Securities other than the Reference Item Linked Securities to which the applicable Final Terms relate. At any given time, the number of Reference Item Linked Securities outstanding may be substantial. Reference Item Linked Securities provide opportunities for investment and pose risks to Investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Securities relate.

Securities may not benefit from a Protection Amount

The Investor should note that certain Reference Item Linked Securities may not benefit from a Protection Amount. On the maturity date, redemption date or settlement date (as applicable), the amount payable per Security may be less than the initial investment amount and purchasers of Securities are exposed to full loss of their investment.

Securities may have a Protection Amount only at maturity or redemption or expiration

In respect of a Series of Reference Item Linked Securities to which a Protection Amount is specified in the applicable Final Terms, the redemption amount or cash settlement amount, as the case may be, to be paid pursuant to its terms at maturity, redemption or settlement (as applicable) will be not less than the specified percentage of the principal amount of the Note, or in the case of Redeemable Certificates, such other amount as indicated in the applicable Final Terms. However, the ability of the Issuer to make the required payments at maturity or redemption (as applicable) depends on the Issuer's ability to meet its obligations under the Securities. There can be no assurance that the Securities will redeem above the minimum redemption or cash settlement amount. The return on the Securities will depend on the relevant Reference Item. If the relevant Reference Item does not perform in line with an Investor's expectations over the term of the Securities, an Investor in the Securities will not receive any return on its capital. Furthermore, such an Investor will have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Securities are redeemed or cancelled early by the Issuer, Investors in the Securities may not be repaid the amount originally invested by them in the Securities.

Early redemption or cancellation for Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Securities or that any arrangements made to hedge the Issuer's obligations under such Securities have or will become unlawful, illegal, or otherwise prohibited in whole or in part, as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or

judicial authority or power, or the interpretation thereof, the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms together if appropriate with accrued interest or, in the case of W&C Securities, cancel such W&C Securities upon payment to each Holder of an amount in respect of each W&C Security or Unit, as the case may be, equal to the fair market value of each W&C Security or Unit, as the case may be, plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price together with accrued Additional Amounts (if applicable), and in each case taking into account hedging losses by any Hedging Entity.

Physical Delivery

Where the Securities provide for Physical Delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where Failure to Deliver due to Illiquidity is specified as applying in the applicable Final Terms, that it is impossible or impracticable to deliver when due some or all of the specified assets due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer in accordance with the Conditions and/or the applicable Final Terms, is not practicable. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities and/or lead to cash settlement rather than physical settlement in respect of the Securities.

The Issuer will not be responsible for any such delay in settlement and shall not be obliged to compensate Holders. Holders will be solely responsible for determining whether they are permitted to hold any underlying securities, including under applicable securities laws.

Expenses for Physical Delivery

If Physical Delivery is specified in the applicable Final Terms as applying in relation to any Securities, all Expenses arising from the delivery of the specified assets in respect of such Securities shall be for the account for the relevant Holders and no delivery of the Reference Item(s) shall be made until all Expenses have been paid to the satisfaction of the Issuer and the relevant Holders.

Asset Transfer Notices and Collection Notices

In the case of Physical Delivery Securities other than Swiss Notes and Swiss W&C Securities, the investor must deliver a duly completed Asset Transfer Notice (in the case of Notes) or a Collection Notice (in the case of Redeemable Certificates) within 180 calendar days of the Cut-Off Date or the Issuer will be discharged in respect of its obligations under the Securities.

The Issuer may have the right to vary settlement

If so indicated in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the Securities. If exercised by the Issuer, this option will lead to Physical Delivery Securities being cash settled or Cash Settled Securities being physically settled. Exercise of such option may adversely affect the value of the Securities.

No Claim against any Reference Item(s)

Owning Securities with payments and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Security will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Securities is less than the purchase price of the Securities, a Holder will not have recourse under a Security to any Reference Item(s). Accordingly, the market value of such Securities may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Securities. For example, the market value of such Securities may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Securities declines.

The amount paid or the value of the specified assets delivered by the Issuer on redemption, cancellation or settlement (as applicable) of such Securities may be less than the purchase price of the Securities, together with any accrued interest or additional amounts (as applicable), and may in certain circumstances be zero.

Certain considerations regarding hedging

Prospective Investors intending to purchase Securities to hedge against the market risk associated with investing in a security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms.

Hedging and other potential conflicts of interest

The Issuer or one or more of its affiliates may hedge the obligations under Reference Item Linked Securities by purchasing or selling the Reference Item(s) or other derivative instruments with returns linked to or related to changes in the value of the Reference Item(s) and may also adjust these hedges by, among other things, purchasing or selling the Reference Item(s) or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the Reference Item(s) and, therefore, the value of associated Reference Item Linked Securities. It is possible that the Issuer or one or more of its affiliates could receive substantial returns from these hedging activities while the value of the Reference Item(s) may decline.

The Issuer or one or more of its affiliates may also engage in trading in the Reference Item(s) on a regular basis as part of general broker-dealer and other businesses of the Issuer or its affiliates, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect

the price of the Reference Item(s) and, therefore, the value of the associated Reference Item Linked Securities. The Issuer or one or more of its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the Reference Item(s) and the availability of such competing products could adversely affect the value of the Reference Item Linked Securities.

The Calculation Agent for an issue of Securities is the agent of the Issuer and not an agent for the Holders. Where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable or specified assets deliverable upon redemption of the Securities. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the Conditions of the Securities. In making such determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

The Issuer and any relevant Dealer may, at the date hereof or any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Securities and may or may not be publicly available to Holders. There is no obligation on the Issuer or any Dealer(s) to disclose to Holders any such information.

In the case of Securities listed on the Italian Stock Exchange, any additional conflicts of interest with respect to such Securities will be specified in the applicable Final Terms.

No pledge or holding of Reference Item(s)

Neither the Issuer nor any of its affiliates will pledge or otherwise hold the Reference Item(s) or other derivative instruments for the benefit of Holders in order to enable Holders to exchange Reference Item Linked Securities for the associated Reference Item(s) or other derivative commitments under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation of the Issuer, any of the Reference Item(s) or other derivative commitments owned by the Issuer or its affiliates will be subject to the claims of the Issuer's creditors generally and will not be available specifically for the benefit of Holders.

Market Disruption Event and Disrupted Day

If an issue of Securities includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date, any consequential postponement of the Valuation Date, Averaging Date, an Observation Date or a scheduled payment date or any alternative provisions for valuation or payment provided in any Securities may have an adverse effect on the value of or payment received on such Securities.

Post-Issuance Information

The Issuer will not provide post-issuance information in relation to the relevant Reference Item.

Tax Treatment

The tax treatment of Reference Item Linked Securities is uncertain and the tax treatment applicable to such Securities may change before the maturity, exercise or redemption (as applicable) of the Securities. Prospective Investors should consult their own independent tax advisors before making an investment in Reference Item Linked Securities.

3.4 Risks relating to Specific Reference Item Linked Securities

Index Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon the level, or changes in the level, of an index or a basket of indices ("**Index Linked Securities**").

Potential Investors in any such Securities should be aware that, depending on the terms of the Index Linked Securities (i) they may receive no or a limited amount of interest or additional amounts (as applicable), (ii) payments may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

Returns on Index Linked Securities may not reflect the return an Investor would realise if it actually bought all securities comprised in the index and in the same proportion as the weighting of such securities in the index or, as the case may be, indices in an index basket and received the dividends paid on those securities because the closing index level or levels on any date may reflect the price of such securities without taking into account the value of dividends paid on those securities. Also, an Investor in the Securities will not benefit from any voting rights or rights to receive cash dividends or other distributions or rights that it would have benefited in case of direct investment in the securities.

The Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay applicable payments or settlement. Prospective Investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

The Index Sponsor of any relevant Index can add, delete or substitute the securities comprised in the Index or amend in any other way the methodology of the Index. Investors should be aware that those decisions by the Index Sponsor may adversely affect the value of

the Securities (e.g. if a newly added company performs significantly worse or better than the company it replaces).

No Index Sponsor of any relevant Index has to consider interests of Holders in calculating and revising the Index.

If an Index Adjustment Event occurs, prospective purchasers should note that the Issuer may, in the case of Notes, redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms or, in the case of W&C Securities, cancel the W&C Securities upon payment of an amount to each Holder in respect of each W&C Security or Unit, as the case may be, determined by reference to the fair market value of each W&C Security or Unit, as the case may be, together with accrued Additional Amounts (if applicable), and in each case taking into account hedge costs.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption or expiration date (as applicable) and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Equity Linked Securities

The Issuer may issue Securities where the amounts payable are dependent upon the price of or changes in the price of an equity security or a basket of equity securities or where, depending on the price of or change in the price of an equity security or a basket of equity securities, on redemption the Issuer's obligation is to deliver specified assets ("**Equity Linked Securities**").

Potential Investors in any such Securities should be aware that, depending on the terms of the Equity Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, (ii) payment of any amounts or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay any applicable redemption payments, or settlement. Prospective Investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

If Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer are specified as applying in the applicable Final Terms, prospective Investors should note that the Securities may be subject to adjustment and, in the case of Notes, may be redeemed at the Early Redemption Amount specified in the applicable

Final Terms or, in the case of W&C Securities, may be cancelled upon payment of an amount to each Holder in respect of each W&C Security or Unit, as the case may be, determined by reference to the fair market value of each W&C Security or Unit, as the case may be, together with accrued Additional Amounts (if applicable), in each case taking into account hedge costs plus (in the case of Warrants), if already paid, the Exercise Price.

In respect of Equity Linked Securities relating to an equity security or equity securities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Securities. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption or expiration date (as applicable), the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

Equity Linked Securities do not represent a claim against or an investment in any equity issuer and Holders will not have any recourse against the equity issuer.

Additional risk factors relating to Equity Linked Securities linked to ADRs and/or GDRs

An investment in the Securities linked to American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts (“**GDRs**”) (ADRs and GDRs, together, “**Depositary Receipts**”) entails significant risks in addition to those associated with Equity Linked Securities and conventional debt or equity securities.

There are important differences between the rights of holders of Depositary Receipts and the rights of holders of the stock of the Underlying Equity Issuer represented by such Depositary Receipts. A Depositary Receipt is a security that represents equity securities of the relevant Underlying Equity Issuer. The relevant Deposit Agreement for the Depositary Receipt sets forth the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the Underlying Equity Issuer and holders of the Depositary Receipt which may be different from the rights of holders of the Underlying Equities. For example, the Underlying Equity Issuer may make distributions in respect of its Underlying Equities that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the Underlying Equities of the Underlying Equity Issuer may be significant and may materially and adversely affect the value of the relevant Securities.

The legal owner of the Underlying Equities is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the Underlying Equities. Particularly in the event that the custodian bank becomes insolvent or that enforcement measures are taken against the custodian bank, it is possible that an order restricting free disposition could be issued with respect to the Underlying Equities or that such shares are realised within the framework of an enforcement measure against the custodian bank. If this is the case, the holders of the Depositary Receipts lose their rights under the Underlying Equities and the Securities would become worthless.

Potential exposure to risks of emerging markets

Depositary Receipts often represent shares of Underlying Equity Issuers based in emerging market jurisdictions.

Where the terms and conditions of the Securities reference one or more emerging market Reference Item(s), purchasers of such Securities should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means, popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Reference Item investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Item(s) illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to the Underlying Equity Issuers, and it may be difficult as a result to assess the value or prospects of the Reference Item(s).

Adjustment to the terms and conditions or replacement of the Reference Item following certain corporate events in relation to the Underlying Equities of Depositary Receipts may materially and adversely affect the value of the Securities.

Following certain corporate events specified in the Conditions of the relevant Securities relating to the Underlying Equities or the Underlying Equity Issuer of such Underlying Equities, such as a merger where the relevant company is not the surviving entity, the amount Holders will receive, if any, at maturity of such Securities may be adjusted by the Calculation Agent or the affected Underlying Equities and Depositary Receipts may be replaced by another Reference Item. The occurrence of such corporate events and the consequential amendments may materially and adversely affect the value of the Securities.

Additional considerations relevant for Index Linked Securities or Equity Linked Securities where an equity security, basket of equity securities or equity index is the Reference Item

Except as specified in the applicable Conditions, in relation to Physical Delivery Securities, Holders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Holders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the Issuer to adjust the amount payable at maturity in respect of the reference equity security or reference index, the market price of the associated Reference Item Linked Securities and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Issuer or one or more of its affiliates may, at present or in the future, engage in business with an Equity Issuer or its competitors, including making loans to or equity investments in an Equity Issuer or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Issuer's or its affiliates' obligations and the interests of Holders. Moreover, the Issuer or one or more of its affiliates may have published and may in the future publish research reports on an Equity Issuer or upon any reference index which may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Securities. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Reference Item Linked Securities.

If the Issuer and its affiliates are not affiliated with the Equity Issuers, the Issuer will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Issuer to adjust the amount payable on the Reference Item Linked Securities, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the Equity Issuers. The Equity Issuers will have no obligation to consider the interests of Holders in taking any corporate actions that might affect the value of the associated Reference Item Linked Securities. The Equity Issuers may take actions that will adversely affect the value of the associated Reference Item Linked Securities. None of the money paid for the Reference Item Linked Securities will go to the Equity Issuers.

Neither the Issuer nor any of its affiliates assumes any responsibility for the adequacy or accuracy of the information about the Equity Issuers contained in any terms supplement or in any publicly available filings made by the Equity Issuers. Prospective Investors should make their own investigation into the relevant Equity Issuers.

Additional Disruption Events (Index Linked Securities, and Equity Linked Securities and Fund Linked Securities only)

If certain Additional Disruption Events are specified as applying in the applicable Final Terms, the Securities will be subject to adjustment or may be redeemed or cancelled (as applicable) upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms.

“**Additional Disruption Events**” may include change in law, hedging disruption, increased cost of hedging and/or insolvency filings.

Commodity Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on maturity, redemption or settlement (as applicable) the Issuer may be obliged to deliver specified assets other than commodities (together “**Commodity Linked Securities**”).

Potential Investors in any such Securities should be aware that depending on the terms of the Commodity Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, as applicable, (ii) payments or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or basket of commodities may affect the actual yield to Investors, even if the average level is consistent with their expectations. In particular, Commodity Linked Securities, which are related to the value of commodities, tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities. Further, in general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

The market price of such Securities may be volatile and may depend on the time remaining to the redemption or expiration date (as applicable) and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

Commodity Linked Securities which are linked to commodity futures contracts may provide a different return from Commodity Linked Securities linked to the relevant physical commodity and will have certain other risks.

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g., warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets.

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

Commodity futures contracts have a predetermined expiration date. Holding a commodity futures contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, “rolling” the commodity futures contract means that the commodity futures contract that is nearing expiration (the “**near-dated commodity contracts**”) is sold before it expires and a commodity futures contract that has an expiration date further in the future (the “**longer-dated commodity contracts**”) is purchased. In order to maintain an ongoing exposure to such commodities “rolling” of the applicable commodity futures contracts is applied.

“Rolling” can affect the value of an investment in commodities in a number of ways, including:

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

Where a commodity futures contract is in contango this is expected to (though may not) have a negative effect over time. Where a commodity futures contract is in backwardation this is expected to (though may not) have a positive effect over time. Where a commodity contract is in contango, then the price of the longer-dated commodity contract will be expected to (but may not) decrease over time as it nears expiry. In such event, rolling is expected to have a

negative effect on an investment in the commodity contract. Where a commodity contract is in backwardation, then the price of the longer-dated commodity contract is expected to (but may not) increase over time as it nears expiry. In such event, the investment in the relevant commodity futures contract is expected to (but may not) be positively affected.

Commodity Indices are indices which track the performance of one or more commodity futures contracts relating to certain commodities, depending on the particular index. The weighting of the respective commodities included in a commodity index will depend on the particular index, and is generally described in the relevant index rules of the index. Commodity Indices usually apply “rolling” of the component commodity contracts in order to maintain an ongoing exposure to such commodities. Accordingly, the same effects as described above with regard to “rolling” also apply with regard to the index level of a Commodity Index.

Commodities are generally divided into four main classes and Commodity Indices may include one or more of these: (i) Energy: which includes crude oil, gasoline, heating oil and natural gas; (ii) Agriculture: which includes corn, soybeans, wheat, sugar, cocoa, cotton and coffee; (iii) Livestock: which includes cattle and hogs; and (iv) Metals: which can be subdivided into base metals such as aluminium, copper, nickel, lead and zinc, and precious metals such as gold, silver and platinum. Specific risk factors in respect of each of these classes of Commodities are set out below:

Additional Risks Associated with Commodity Linked Securities linked to Aluminium, Copper, Lead, Nickel or Zinc

Commodity Linked Securities may be subject to certain risks specific to aluminium, copper, lead, nickel or zinc.

Aluminium, copper, lead, nickel and zinc are industrial metals. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities that are linked to the price of aluminium, copper, lead, nickel or zinc may be subject to a number of additional factors specific to industrial metals that might cause price volatility. These may include, among others:

- (i) changes in the level of industrial activity using industrial metals including the availability of substitutes such as man-made or synthetic substitutes;
- (ii) disruptions in the supply chain, from mining to storage to smelting or refining;
- (iii) adjustments to inventory;
- (iv) variations in production costs, including storage, labour and energy costs;
- (v) costs associated with regulatory compliance, including environmental regulations; and
- (vi) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of any industrial metal may offset or enhance the effect of another factor.

The London Metal Exchange's (the "LME") use of or omission to use price controls may result in limited appreciation but unlimited depreciation in the price of certain industrial metals futures contracts traded on LME and, therefore, the value of Commodity Linked Securities linked to the price of such metals.

United States exchanges have "daily limits" (as described above) that may occur during a single business day. In contrast, futures contracts on aluminium, copper, lead, nickel or zinc that are traded on LME are not subject to "daily limits". In a declining market, therefore, it is possible that prices for one or more contracts traded on LME would continue to decline without limitation within a trading day or over a period of trading days. A steep decline in the price of the futures contract could have a significant adverse impact on the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel or zinc futures contracts.

Moreover, LME has discretion to impose "backwardation limits" by permitting short sellers who are unable to effect delivery of an underlying commodity and/or borrow such commodity at a price per day that is no greater than the backwardation limit to defer their delivery obligations by paying a penalty in the amount of the backwardation limit to buyers for whom delivery was deferred. Backwardation limits tend to either constrain appreciation or cause depreciation of the prices of futures contracts expiring in nearby delivery months. Impositions of backwardation limits could adversely affect the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel or zinc futures contracts.

Contracts traded on LME are exposed to concentration risks beyond those characteristic of futures contracts on United States futures exchanges.

Futures contracts traded on United States futures exchanges generally call for delivery of the physical commodities to which such contracts relate in stated delivery months. In contrast, contracts traded on LME may call for delivery on a daily, weekly or monthly basis. As a result, there may be a greater risk of a concentration of positions in contracts trading on LME on particular delivery dates than for futures contracts traded on United States futures exchanges, since, for example, contracts calling for delivery on a daily, weekly or monthly basis could call for delivery on the same or approximately the same date. Such a concentration of positions, in turn, could cause temporary aberrations in the prices of contracts traded on LME for delivery dates to which such positions relate. To the extent such aberrations are in evidence on a given pricing date with respect to the price of any such futures contract, they could adversely affect the value of any Commodity Linked Securities linked to such futures contracts.

Additional Risks Associated with Commodity Linked Securities linked to Cocoa, Coffee, Corn, Cotton, Soybeans, Sugar or Wheat

Commodity Linked Securities may be subject to certain risks specific to cocoa, coffee, corn, cotton, soybeans, sugar or wheat.

Cocoa, coffee, corn, cotton, soybeans, sugar and wheat are agricultural commodities. Cocoa, coffee, cotton and sugar are soft commodities; corn, soybeans and wheat are grains. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities that are linked to the price of cocoa, coffee, corn, cotton, soybeans, sugar or wheat may be subject to a number of additional factors specific to

agricultural commodities and softs or grains that might cause price volatility. These may include, among others:

- (i) weather conditions, including floods, drought and freezing conditions;
- (ii) changes in government agricultural policies;
- (iii) changes in global demand for food or clothing;
- (iv) planting decisions;
- (v) changes in bio-diesel or ethanol demand; and
- (vi) changes in demand for agricultural products, softs or grains both with end users and as inputs into various industries.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of cocoa, coffee, corn, cotton, soybeans, sugar or wheat, may offset or compound the effect of another factor.

Additional Risks Associated with Commodity Linked Securities linked to Crude Oil or Natural Gas

Commodity Linked Securities may be subject to certain risks specific to crude oil or natural gas.

Crude oil and natural gas are energy-related commodities. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of crude oil or natural gas may be subject to a number of additional factors specific to energy-related commodities that might cause price volatility. These may include, among others:

- (i) changes in the level of industrial and commercial activity with high levels of energy demand;
- (ii) disruptions in the supply chain or in the production or supply of other energy sources;
- (iii) price changes in alternative sources of energy;
- (iv) adjustments to inventory;
- (v) variations in production and shipping costs;
- (vi) costs associated with regulatory compliance, including environmental regulations; and
- (vii) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

These factors interrelate in complex ways and the effect of one factor on the market value of Commodity Linked Securities linked to the price of crude oil or natural gas may offset or compound the effect of another factor.

Additional Risks Associated with Commodity Linked Securities linked to Gold, Silver or Platinum

Commodity Linked Securities may be subject to certain risks specific to gold, silver or platinum.

Gold, silver and platinum are precious metals. In addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of gold, silver or platinum may be subject to a number of additional factors specific to precious metals that might cause price volatility. These may include, among others:

- (i) disruptions in the supply chain, from mining to storage to smelting or refining;
- (ii) adjustments to inventory;
- (iii) variations in production costs, including storage, labour and energy costs;
- (iv) costs associated with regulatory compliance, including environmental regulations;
- (v) changes in industrial, government and consumer demand, both in individual consuming nations and internationally;
- (vi) precious metal leasing rates;
- (vii) currency exchange rates;
- (viii) level of economic growth and inflation; and
- (ix) the degree to which consumers, governments, corporate and financial institutions hold physical gold as a safe haven asset (hoarding) which may be caused by a banking crisis/recovery, a rapid change in the value of other assets (both financial and physical) or changes in the level of geopolitical tension.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of gold, silver or platinum, may offset or compound the effect of another factor.

Additional Risks Associated with Securities linked to Lean Hogs or Live Cattle

Commodity Linked Securities may be subject to certain risks specific to lean hogs or live cattle.

Lean hogs and live cattle are a type of livestock. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of lean hogs or live cattle may be subject to a number of additional factors specific to livestock that might cause price volatility. These may include, among others:

- (i) weather conditions, including floods, drought and freezing conditions;
- (ii) disease and famine;
- (iii) changes in government agricultural and/or livestock policies; and
- (iv) changes in end-user demand for livestock.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of lean hogs or live cattle, may offset or enhance the effect of another factor.

Fund Linked Securities

General

The Issuer may issue Securities where the amounts payable are dependent upon the price or changes in the price of one or more Fund Interests or Fund Shares or where, depending on the price or changes in the price of one or more Fund Interests or Fund Shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Securities may bear similar market risks to a direct fund investment and investors should take advice accordingly. Funds may also include exchange traded funds (“ETFs”).

Potential Investors in any such Securities should be aware that depending on the terms of the Fund Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, as applicable, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of one or more Fund Shares or Fund Interests may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the one or more Fund Shares or Fund Interests may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of one or more Fund Shares or Fund Interests, the greater the effect on yield.

Neither the Issuer nor its affiliates have the ability to control or predict the actions of the Fund Adviser or other Fund Service Provider. The Fund Adviser is not involved in the offer of the Securities in any way and has no obligation to consider the interests of the Holders in taking any corporate actions that might affect the value of the Securities.

The Issuer will have no role in the relevant Fund. The Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which a Fund is managed and the timing of such decisions will have a significant impact on the performance of the Fund. Hence, the price which is used to calculate the performance of the Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Fund. These risks include:

- (i) the risk that the share price of one or more of the assets in the Fund’s portfolio will fall, or will fail to rise. Many factors can adversely affect an asset’s performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (ii) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (iii) asset allocation policies of the Fund Adviser;
- (iv) credit quality and the risk of default of one of the hedge funds or of assets generally held in the Fund;

- (v) the risk that the Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, not complied with or the method of calculating the Net Asset Value is materially changed;
- (vi) the risk that the Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Adviser is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; and
- (vii) the risk that the Fund is subject to a fraudulent event.

Prospective Investors in the Securities should be aware that the Fund Adviser will manage the Fund in accordance with the investment objectives of and guidelines applicable to the Fund. Furthermore, the arrangements between the Fund Adviser and the Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Adviser will be replaced or that additional fund managers and/or fund advisers will be retained.

Use of estimates

Potential Investors should understand that for certain determinations, the Calculation Agent or the Issuer may be required to rely on (a) values that at the time they are required are only estimated values, and (b) information provided by third parties, such as the Fund Adviser or Fund Service Providers, on the basis of their models, market anticipation and assumptions, the accuracy of which neither the Issuer nor the Calculation Agent has any control, and as such, they may rely on this information without any obligation to verify or otherwise corroborate it.

Changing value

The value of the Securities may move up or down between the Issue Date and the maturity date, redemption date, settlement date or exercise date (as applicable) and an Investor in the Securities in the secondary market during that time or on maturity of the Securities may sustain a significant loss. Factors that may influence the value of the Securities include: the value of the Fund; the creditworthiness of the Issuer in respect of the Securities; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a Fund Share in an ETF may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of a Fund Share and may be affected by the performance of the Fund Service Providers, and in particular the Fund Adviser. The price of a Fund Share may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Share may be traded).

Prospective Investors of the Securities have no rights with respect to a Fund or underlying Fund Shares or Fund Interests

A prospective Investor in Securities has no rights with respect to Fund Shares or Fund Interests including, without limitation, the right to receive dividends or other distributions.

None of the Issuer, any Dealers or the Agents or any of their respective affiliates has performed or will perform any investigation or review of any entities that manage a Fund for the purpose of forming a view as to the merit of an investment linked to such Fund. None of the Issuer, any Dealers or the Agents or any of their respective affiliates have performed or will perform any investigation or review of any entities that manage a Fund from time to time, including any investigation of public filings of such entities, for the purpose of forming a view as to the suitability of an investment linked to the Net Asset Value per underlying Fund Interest or Fund Share and they make no guarantee or express or implied warranties in respect of a Fund, a Fund Adviser or any other entity. Accordingly, Investors should not conclude that the issue by the Issuer of the Securities is any form of investment recommendation or advice by any of the Issuer, any Dealers or the Agents or any of their respective affiliates.

Fund Events

Prospective Investors should understand that, if a Fund Event is applicable, on the occurrence of any of the Fund Events, the Issuer may require the Calculation Agent: (i) to make such adjustments as it determines appropriate, including delaying any determination date or related payment date until it determines that no Fund Event exists, (ii) select replacement Funds, or (iii) in the case of Notes, redeem the Notes early and pay each Holder the Early Redemption Amount or, in the case of W&C Securities, cancel the W&C Securities upon payment of an amount in respect of each W&C Security or Unit, as the case may be, equal to the fair market value of each W&C Security or Unit, as the case may be, together with accrued Additional Amounts (if applicable), in each case taking into account hedge costs plus (in the case of Warrants), if already paid, the Exercise Price. “**Fund Events**” include Additional Fund Disruption Events (which include Change in Law, Fund Hedging Disruption and Increased Cost of Hedging), Fund Valuation Disruption, Fund Settlement Disruption, Nationalisation, Insolvency, Fund Insolvency Event, NAV Trigger Event, Adviser Resignation Event, Fund Modification, Strategy Breach, Regulatory Action, Reporting Disruption, Fund Service Provider Cessation, Fund Administration Disruption and Related Agreement Termination.

Fund Potential Adjustment Events

Following the declaration by a Fund of any Fund Potential Adjustment Event, the Calculation Agent may determine to make adjustments to the terms of the Fund Linked Securities.

Exchange Traded Funds

In the case where the Fund is an ETF, if De-listing, Insolvency, Material Underlying Event (which includes events in relation to the ETF and/or Fund Share which is materially prejudicial to the Issuer in connection with the issue of the Fund Linked Securities or any related hedging arrangement) and/or Merger Event, Nationalisation and/or Tender Offer occurs, the Securities will also be subject to adjustment or in the case of Notes, early redemption at the Early Redemption Amount specified in the applicable Final Terms, or, in the case of W&C Securities, cancellation upon payment of an amount to each Holder in respect of each W&C Security or Unit, as the case may be, determined by reference to the fair market value of each W&C Security or Unit, as the case may be, taking into account hedging costs.

If Fund Potential Adjustment Events occur, prospective purchasers should note that the Securities will be subject to adjustment.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay any applicable redemption payments, or settlement. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Credit Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon whether certain events have occurred in respect of a specified entity (the “**Reference Entity**”) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer’s obligation is to deliver certain specified assets.

Potential Investors in any such Securities should be aware that depending on the terms of the Credit Linked Securities (i) they may receive no or a limited amount of interest or principal or other amounts, (ii) payment of principal, interest or other amounts or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such Securities may be volatile and will be affected by, amongst other things, the time remaining to the redemption or expiry date and the financial condition and creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions or industries and changes in prevailing interest rates.

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

The Issuer’s obligations in respect of Credit Linked Securities are irrespective of the existence or amount of the Issuer’s and/or any affiliates’ credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Preference Share Linked Notes

The Issuer may issue Notes ("**Preference Share Linked Notes**") where the amounts payable are dependent upon the changes in the value of certain preference shares (the "**Preference Shares**") issued by RBC GELP (UK) Limited (the "**Preference Share Issuer**"), which may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "**Preference Share Underlying**") as set out in the terms and conditions of the Preference Shares (the "**Preference Share Terms**"). If as a result of the performance of the Preference Share Underlying, the performance of the Preference Shares is negative the value of the Preference Share Linked Notes will be adversely affected. Purchasers of Preference Share Linked Notes risk losing all or a part of their investment if the value of the Preference Shares falls.

Potential Investors in any such Notes should be aware that an investment in Preference Share Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential Investors in Preference Share Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Preference Share Linked Notes, should form their own views of the merits of an investment linked to the Preference Shares in question based upon such investigations and not in reliance on any information given in this document.

Potential investors in Preference Share Linked Notes should consider carefully the Risk Factors set out in this Base Prospectus.

As set out below, Preference Share Linked Notes will be subject to early redemption if an Extraordinary Event or, if applicable, an Additional Disruption Event occurs or if a Preference Share Early Redemption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount. The Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

Exposure to the Preference Share Underlying

The Preference Share Underlying may be a specified index or basket of indices, a specified equity or basket of equities, a specified currency or basket of currencies, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or such other underlying instruments, bases of reference or factors as may be determined by the Preference Share Issuer and specified in the relevant Preference Share Terms. ***Consequently Potential Investors should also consider the risk factors set out on pages 15 to 59 in respect of the risks involved in investing in Securities (in this case the Preference Shares) linked to certain Reference Item(s).***

The Preference Share Terms provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Preference Share Terms and consult with their own professional advisers.

Credit and Fraud Risk of Preference Share Issuer

Preference Share Linked Notes are linked to the performance of the relevant Preference Shares. Investors bear the risk of an investment in the Preference Share Issuer. The value of the Preference Share Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share Linked Notes. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited, any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the preference shares and will affect the value of the Preference Share Linked Notes.

Potential conflicts of interest

The Bank is the Issuer and unless otherwise specified in the Final Terms, RBC Capital Markets, LLC is the Calculation Agent in respect of Preference Share Linked Notes and also acts as calculation agent in respect of the Preference Shares (the “**Preference Share Calculation Agent**”). The Bank and RBC Capital Markets, LLC are affiliates. As a result of this relationship, potential conflicts of interest may arise for the Bank and RBC Capital Markets, LLC in acting in their respective capacities. Subject to any relevant regulatory obligations, the Issuer and the Preference Share Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder. The Preference Share Issuer may also rely on other RBC group entities (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant RBC group entity or other service provider fails to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, RBC Capital Markets, LLC or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, being involved in arrangements relating to any Preference Share Underlying (for example as calculation agent). Further, RBC Capital Markets, LLC or any of its affiliates (including the Bank) may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer, the Preference Shares or any Preference Share Underlying and as a result RBC Capital Markets, LLC may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

Determination of Extraordinary Events and Additional Disruption Events

The Calculation Agent may determine the occurrence of a Merger Event, Tender Offer, Insolvency or Additional Disruption Event in relation to the Preference Share Linked Notes. Upon such determination, the Issuer may, at its option, redeem the Preference Share Linked Notes in whole at the Early Redemption Amount, which may be less than the amount invested in the Preference Share Linked Notes. Noteholders will not benefit from any appreciation of the Preference Shares that may occur following such redemption.

No ownership rights

An investment in Preference Share Linked Notes is not the same as an investment in the Preference Shares and does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have.

Hedging activities of the Issuer and affiliates

The Issuer or its affiliates may carry out hedging activities related to the Preference Share Linked Notes, including purchasing the Preference Shares and/or purchasing or entering into contracts relating to the Preference Share Underlying, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Preference Shares and/or purchase and sell or enter into contracts relating to the Preference Share Underlying on a regular basis as part of their regular business. Any of these activities could adversely affect the value of the Preference Share Underlying and, accordingly, the value of the Preference Shares and the Preference Share Linked Notes.

Currency Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated ("**Currency Linked Securities**"). Accordingly, an investment in Currency Linked Securities may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly. An investment in Currency Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in any Currency Linked Securities should be aware that depending on the terms of the Currency Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and/or (iii) except in the case of principal protected Securities, they may lose all or a substantial portion of their investment if the applicable currency exchange rates do not move in the anticipated direction.

In addition, the movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the currency exchange rates, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount, interest or additional amounts payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on the Final Redemption Amount, Cash Settlement Amount, interest or additional amounts payable, or Entitlement deliverable, will be magnified.

Fluctuations in exchange rates of the relevant currency (or the relevant currencies contained in a basket of currencies) will affect the value of Currency Linked Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Linked Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and Settled Currency (as defined below) of the

Securities. Currency values may be affected by complex political and economic factors, including, without limitation, governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see “*Exchange rate risks and exchange controls*” below).

Early Redemption, Exercise or Cancellation

Following any early redemption, cancellation or exercise (as applicable), an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or additional amount rate on the relevant Securities and may only be able to do so at a significantly lower rate. Potential Investors should consider reinvestment risk in light of other investments available at that time.

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and limit the market value of the Notes since the Issuer will be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Securities issued at a substantial discount or premium

The issue price of Securities specified in the applicable Final Terms may be more than the market value of such Securities as of the issue date, and the price, if any, at which a Dealer or any other person willing to purchase the Securities in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer’s obligations under such

Securities, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result.

The market values of Securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing Securities with comparable maturities.

4. Risks related to the Securities generally

Set out below is a brief description of certain risks relating to the Securities generally:

Modification and Waivers

The Conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interest generally. These provisions permit defined majorities to bind (and to modify or waive certain terms and conditions of the Securities or covenants and agreements made by the Issuer) all Holders including Holders who do not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

No obligation to maintain listing

The Issuer is not under any obligation to Holders to maintain any listing of Securities and may, in its sole discretion, determine that it is unduly burdensome to maintain such listing and seek to terminate the listing of such Securities provided it uses all reasonable efforts to seek an alternative admission to listing, trading and/or quotation of such Securities by another listing authority, securities exchange and/or quotation system that it deems appropriate (including a market which is not a regulated market for the purposes of the Markets in Financial Instruments Directive or a market outside the EEA). However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Securities as a result of the listing on a regulated market for the purposes of the Markets in Financial Instruments Directive in the European Economic Area or any other market, de-listing such Securities may have a material affect on an Investor's ability to (i) continue to hold such Securities or (ii) resell the Securities in the secondary market.

Tax treatment

The tax treatment of any amount to be paid in relation to the Securities to a Holder may reduce such holder's effective yield on the Securities.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Tax Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to

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

The European Commission has proposed certain amendments to the Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Securities as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Tax Directive.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Euro-zone, or the potential dissolution of the euro entirely, could adversely affect the value of the Securities

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the “EFSF”) and the European Financial Stability Mechanism (the “EFSM”) to provide funding to Euro-zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro-zone countries to establish a permanent stability mechanism, the European Stability Mechanism, which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro-zone countries after June 2013. Despite these measures, concerns persist regarding the debt burden of certain Euro-zone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Securities.

Change in law

No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario and the federal laws of Canada applicable therein (in the case of Securities governed thereby) or English law (in the case of Securities governed thereby) or administrative practice after the date of this Prospectus and before the date on which the relevant Securities are issued.

Bearer Notes where denominations involve integral multiples: definitive Bearer Notes

In relation to any issue of Bearer Notes which has denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Securities may be traded in the clearing systems in amounts that are not

integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Bearer Notes be provided) and would need to purchase or sell a principal amount of Securities such that its holding amounts to a Specified Denomination before definitive Bearer Notes are issued to such Holder.

If definitive Bearer Notes are issued, Holders should be aware that definitive Bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Minimum Trading Size Risk

Securities may, if specified in the applicable Final Terms, be subject to a Minimum Trading Size, in which case such Securities will, for so long as they are held in a clearing system, be transferable only in a principal amount in the case of Notes or in a number in the case of W&C Securities, of not less than such Minimum Trading Size. Notwithstanding the foregoing, such Securities will only be transferable in accordance with the rules of the relevant clearing system.

Canadian Usury Laws

The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest that exceeds 60 per cent.). Accordingly, the provisions for the payment of interest or a Redemption Amount in excess of the aggregate principal amount of the Securities may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60 per cent.

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2017 in respect of (i) any Securities issued on or after 1 January 2013 or such other date as may be subsequently specified in any Treasury regulations, official interpretations or administrative guidance issued thereunder and (ii) any Securities which are treated as equity for U.S. federal tax purposes, whenever issued, pursuant to the FATCA Withholding Tax Rules, as defined below..

“**FATCA**” means Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended (including the United States Treasury regulations and other guidance issued and any agreements entered into thereunder).

“**FATCA Withholding Tax Rules**” means as (i) any tax imposed under FATCA and (ii) any tax imposed by any jurisdiction pursuant to an intergovernmental agreement to improve tax compliance and to implement FATCA entered into between any relevant authorities on behalf of the United States and such jurisdiction.

This withholding tax may be triggered if (i) the Issuer is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide certain information on its account holders (as defined for

the purposes of FATCA) (making the Issuer a “**Participating FFI**”), and (ii)(a) the investor holds a “financial account” with the Issuer in respect of the Securities and the investor does not provide information sufficient for the Participating FFI or any party required by law to withhold tax pursuant to any FATCA Withholding Tax Rules to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of the Issuer, or (b) any FFI through which payment on such Securities is made is not a Participating FFI.

The application of the FATCA Withholding Tax Rules to interest, principal or other amounts paid with respect to the Securities is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Securities as a result of a holder’s failure to comply with these rules or as a result of the presence in the payment chain of a non-Participating FFI, neither the Issuer nor any paying agent nor any other person would, pursuant to the Conditions of the Securities be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if the FATCA Withholding Tax Rules are implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of Securities should consult their own tax advisers on how these rules may apply to payments they receive under the Securities.

The application of the FATCA Withholding Tax Rules to Securities issued on or after 1 January 2013 or such other date as may be subsequently specified in any Treasury regulations, official interpretations or administrative guidance issued thereunder (or whenever issued, in the case of Securities treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or a Supplement to the Offering Circular, as applicable.

5. Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

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. Therefore, Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors (such as Reference Item Linked Securities) or for Securities which are not listed on any stock exchange or for Securities the outstanding number of which is very low. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Securities. Accordingly, Investors must be prepared to hold the Securities to maturity. Also (in the case of American Style W&C Securities) to the extent Exercisable Certificates or Warrants of a particular issue are exercised, the number of W&C Securities of such issue outstanding will decrease resulting in diminished liquidity for the remaining Exercisable Certificates or Warrants, as applicable, of such issue. A decrease in the liquidity of an issue of Exercisable Certificates or Warrants may cause, in time, an increase in the volatility associated with the price of such issue of Exercisable Certificates or Warrants, as applicable.

Possible Illiquidity of the Securities in the Secondary Market

It is very difficult to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Securities on a stock exchange.

Each Issuer and any Dealer may, but is not so obliged, at any time purchase Securities at any price in the open market or by tender or private offer/treaty. Any Securities so purchased may be held or resold or surrendered for cancellation as further described herein. A Dealer may, but is not obliged to, be a market-maker for an issue of Securities and may cease to do so at any time. Even if a Dealer is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. In addition, affiliates of the Issuer (including the Dealer as referred to above) may purchase Securities at the time of their initial distribution and from time to time thereafter. There may be no secondary market for the Securities and to the extent that an issue of Securities is or becomes illiquid, an investor may have to exercise or wait until redemption of such Securities, as applicable, to realise greater value than its then trading value.

Exchange rate risks and exchange controls

The Issuer will pay amounts on the Securities in the Specified Currency or Settlement Currency (as applicable) (the “**Settled Currency**”). This presents certain risks relating to currency conversions if an Investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Settled Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settled Currency would decrease (i) the Investor’s Currency-equivalent yield on the Securities, (ii) the Investor’s Currency-equivalent value of the principal payable on the Securities and (iii) the Investor’s Currency-equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount or Additional Amounts (in the case of Cash Settled W&C Securities) or the Final Redemption Amount and any interest (in the case of Notes) that Investors receive may be less than expected or zero.

Interest rate risks

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

Market value of Securities

The market value of an issue of Securities will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

- (i) the value and volatility of the Reference Item(s);

- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Securities or any Reference Item(s) in the secondary market;
- (vi) the time remaining to any maturity date, settlement date, redemption date or expiration date (as applicable); and
- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item(s) may be traded.

The price at which a Holder will be able to sell any Securities prior to maturity, redemption, settlement or expiration (as applicable) may be at a discount, which could be substantial, to the market value of such Securities on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Security.

A Security's purchase price may not reflect its inherent value

Prospective investors in the Securities should be aware that the purchase price of a Security does not necessarily reflect its inherent value. Any difference between a Security's purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or earned by the various parties involved in structuring and/or distributing the Security. For further information prospective investors should refer to the party from whom they are purchasing the Securities. Prospective investors may also wish to seek an independent valuation of Securities prior to their purchase.

Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to Securities issued under the Programme. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant

credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and credit ratings will be disclosed in the Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Interests of Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and/or their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or Bank's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, such Dealers and/or their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities issued under the Programme. The Dealers and/or their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer may sell Securities to one or more of the Dealers including RBC Europe Limited, which is a wholly-owned indirect subsidiary of the Bank. The terms of the Programme were negotiated at arm's length between the Issuer and the Dealers. In addition to any proceeds from any offering of the Securities under the Programme being applied, directly or indirectly, for the benefit of RBC Europe Limited in its capacity as a wholly-owned indirect subsidiary of the Bank, RBC Europe Limited will receive a portion of any fees and commissions payable in connection with any such offering of Securities in its capacity as a Dealer.

Certain considerations relating to public offers of the Securities

If the Securities are distributed by means of a public offer, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the Final Terms will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the applicable Final Terms.

Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities.

Furthermore, under certain circumstances, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to extend the Offer Period. In addition, in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive, the Issuer and/or the other entities specified in the applicable Final Terms shall reserve also the right, along with the right to extend the Offer Period, to postpone the Issue Date and/or one or more Interest Payment Dates and/or the maturity date of the Securities.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this document and as at the date of this document have been approved by or filed with the Financial Services Authority are hereby incorporated in, and form part of, this document and both the Base Prospectus and Listing Particulars set out in this document:

- (a) the Annual Information Form dated December 1, 2011 (the “**AIF**”), including, in particular, the following sections:
 - (i) “Description of the Business – General Summary” on page 3;
 - (ii) “Competition” on page 4; and
 - (iii) “Appendix A - Principal Subsidiaries” on page 24;

- (b) the following sections of the Bank’s 2011 Annual Report (the “**2011 Annual Report**”) for the year ended October 31, 2011:
 - (i) the audited consolidated financial statements as at October 31, 2011 and 2010 and for each of the years in the two-year period ended October 31, 2011, prepared in accordance with Canadian GAAP, together with the Report of the Independent Registered Chartered Accountants thereon (excluding for greater certainty Management’s Report on Internal Control over Financial Reporting and the Report of the Independent Registered Chartered Accountants thereon) (the “**2011 Audited Consolidated Financial Statements**”);

 - (ii) the Management’s Discussion and Analysis for the year ended October 31, 2011 (the “**2011 MD&A**”), including, in particular, a description of risk factors related to the Bank and its business, and the steps taken to manage such risks, under the heading “Risk management” on pages 41 to 55 and “Overview of other risks” on pages 55 to 57 and information about trends, commitments, events and uncertainties for the Bank and each business segment known to the Bank’s management which is provided under the heading “Economic, market and regulatory review and outlook – data as at December 1, 2011” on pages 9 to 10, “Outlook and priorities” on pages 18, 21, 24, 27 and 30 together with the caution provided under heading “Caution regarding forward-looking statements” on page 7,

the remainder of the 2011 Annual Report is either not relevant for prospective Investors or covered elsewhere in this document and is not incorporated by reference;

- (c) the following sections of the Bank's First Quarter 2012 Report to Shareholders (the "**First Quarter 2012 Report to Shareholders**"):
- (i) information about legal and arbitration proceedings to which the Bank is a party provided under the heading "Litigation" on page 85;
 - (ii) Management's Discussion and Analysis on pages 2 to 33, including, in particular, information about trends, commitments, events and uncertainties for the Bank known to the Bank's management which is provided on pages 4 and 15 under the headings "Economic, market and regulatory review and outlook - data as at February 29, 2012" and "Quarterly results and trend analysis" together with the Caution provided under the heading "Caution regarding forward-looking statements" on page 2; and
 - (iii) the unaudited interim condensed consolidated financial statements for the three-month period ended January 31, 2012 with comparative unaudited interim condensed consolidated financial statements for the three-month period ended January 31, 2011 (the "**First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements**"), prepared in accordance with IFRS, set out on pages 34 to 95,

the remainder of the Bank's First Quarter 2012 Report to Shareholders either is not relevant for prospective Investors or is covered elsewhere in this document and is not incorporated by reference;

- (d) the auditor's combined interim review report dated February 29, 2012 in respect of the First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements; and
- (e) the sections entitled "Terms and Conditions of the Notes" and "Terms and Conditions of the Certificates", as the case may be, set out in the Prospectuses dated July 18, 2011, July 16, 2010, July 16, 2009, July 16, 2008, July 16, 2007, July 14, 2006 and July 29, 2005 relating to the Programme; for the avoidance of doubt, the applicable Final Terms for a Tranche of Securities will indicate the Terms and Conditions applicable to such Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Securities issued after the date hereof shall be those set out in this document,

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein, in the Bank's First Quarter 2012 Report to Shareholders noted in (c) above or in any supplement hereto filed under Article 16 of the Prospectus Directive or section 87G of FSMA, as the case may be, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Information, documents or statements expressed to be incorporated by reference into, or that form part of one or more of, the documents noted above form part of this document but do not form part of the Base Prospectus of the Issuer approved by the UK Listing Authority for purposes of the Prospectus Directive.

In addition, the following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this document, provided that such documents shall not form part of the Base Prospectus approved by the UK Listing Authority for the purposes of the Prospectus Directive unless otherwise incorporated in a supplementary prospectus approved by the UK Listing Authority:

- (f) the Bank's most recently published Annual Information Form;
- (g) the Bank's audited consolidated financial statements, together with the report of the Independent Registered Chartered Accountants thereon (excluding for greater certainty Management's Report on Internal Control over Financial Reporting and the Report of the Independent Registered Chartered Accountants thereon) and management's discussion and analysis for the year then ended contained in the most recently published Annual Report to Shareholders and, if published later, the Bank's comparative unaudited interim condensed consolidated financial statements and management's discussion and analysis for the period then ended contained in the most recently published Quarterly Report to Shareholders;
- (h) all supplements or amendments to the Prospectus prepared by the Bank from time to time (other than those filed pursuant to Article 16 of the Prospectus Directive and approved by the UK Listing Authority under section 87G of FSMA); and
- (i) any material change reports (excluding confidential material change reports) filed by the Bank with the various securities commission or similar authorities in Canada pursuant to the requirements of applicable securities legislation, after the date of this document and during the currency of this document,

provided that any statement contained herein or in a document all or the relative portion of which is or is deemed to be incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein, in any other subsequently filed document which is or is deemed to be incorporated by reference in this document, or in any supplement approved by the UK Listing Authority (including any documents incorporated by reference therein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of this document and the documents incorporated by reference herein (but, in respect of (1) below, excluding items (e) to (i) above unless otherwise incorporated in a supplementary prospectus under Article 16 of the Prospectus Directive) and any supplement hereto approved by the UK Listing Authority can be (1) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline "Publication of Prospectus" and (2) obtained on written request and without charge from the Issuer at 200 Bay Street, 4th Floor, North Tower, Toronto, Ontario, Canada M5J 2W7, Attention: Vice President, Investor Relations and from the office of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, England, Attention: Manager, EMEA Corporate & Sovereign Department and from the office of the Swiss Programme and Paying Agent. Copies of the documents incorporated by reference referred to in (d), (e) and (g) can be viewed on the Canadian System for Electronic Document Analysis and Retrieval

("SEDAR") at www.SEDAR.com (an internet based securities regulatory filing system). Please note that websites and urls referred to herein do not form part of the Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities issued in circumstances requiring publication of a prospectus under the Prospectus Directive. The Issuer has undertaken to the Dealers in the Amended and Restated Distribution Agreement (as defined in "Subscription and Sale") that it will comply with section 87G of the FSMA.

Except for the First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements, the financial information of the Bank incorporated by reference or otherwise contained in this document has been prepared in accordance with Canadian GAAP. Accordingly it is not comparable to the audited financial statements of companies using accounting principles generally accepted in the United States ("**US GAAP**") or IFRS. A reconciliation of Canadian GAAP and US GAAP is contained in Note 31 to the Bank's 2011 Audited Consolidated Financial Statements which are incorporated by reference within this document. The annual consolidated financial statements of the Bank incorporated by reference in this document have not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union. The Bank adopted IFRS on November 1, 2011 and therefore the First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements have been, and all future consolidated financial statements will be, prepared in accordance with IFRS. For further details on the Bank's adoption of IFRS, including the impact on the Bank's capital position, refer to the section entitled "Accounting and control matters" in the Bank's 2011 MD&A and the Bank's First Quarter 2012 Report to Shareholders.

FINAL TERMS OR DRAWDOWN PROSPECTUS

In this section the expression “**necessary information**” means, in relation to any Tranche of Securities, the information necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Securities. In relation to the different types of Securities which may be issued under the Programme the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Securities which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Securities.

Any information relating to the Securities which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Securities will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless, in accordance with Article 16 of the Prospective Directive, any of such information constitutes a significant new factor relating to the information contained in the Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Securities, may be contained in a Drawdown Prospectus.

For a Tranche of Securities which is the subject of the Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Securities which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Final Terms.

The terms and conditions applicable to any particular Tranche of Securities which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be a single document containing the necessary information relating to the Issuer and the relevant Securities.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Bank may from time to time issue Securities denominated or payable in any currency agreed by the Bank and the relevant Dealer(s) having such maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). The Bank may issue Securities (i) in the case of Notes, that bear interest at fixed rates or floating rates or that do not bear interest, (ii) in the case of W&C Securities, that pay additional amounts at fixed or floating rates or that pay no additional amounts, (iii) with principal, premium, interest or other amounts payable or assets deliverable (which may include cash, securities and/or other property) determined by reference or linked to one or more indices, equities, commodities, funds, currencies, preference shares of the Preference Share Issuer (as defined herein), or other underlying assets or bases of reference or linked to the credit of specified entities or any combination thereof and (iv) the terms of which permit the Bank to discharge its obligations with respect to such Securities by the delivery of cash, shares, securities and/or other property or assets. A summary of the terms and conditions of the Programme and the Securities appears on pages 1 to 14.

The applicable terms of any Securities will be agreed between the Bank and the relevant Dealer(s) prior to the issue of the Securities and will be set out in the Terms and Conditions of the Securities endorsed on, or annexed to, the Securities, as supplemented by the applicable Final Terms attached to, or endorsed on, such Securities, as more fully described under “Terms and Conditions of the Notes” and “Terms and Conditions of the W&C Securities”, as the case may be.

The Base Prospectus and any Supplement thereto will only be valid for the issue of (i) Notes, Redeemable Certificates and Exercisable Certificates evidencing deposit liabilities under the *Bank Act* (Canada) in an aggregate principal amount which, when added to the aggregate principal amount then outstanding of all Notes, Redeemable Certificates and Exercisable Certificates evidencing deposit liabilities under the *Bank Act* (Canada) previously or simultaneously issued under this Programme, does not exceed U.S.\$40,000,000,000 (or its equivalent in any other currency as at the date of the issue of the relevant Securities) and (ii) Warrants and Exercisable Certificates not evidencing deposit liabilities under the *Bank Act* (Canada) in an aggregate implied notional amount which, when added to the aggregate implied notional amount then outstanding of all Warrants and Exercisable Certificates not evidencing deposit liabilities under the *Bank Act* (Canada) does not exceed U.S.\$3,000,000,000 (or its equivalent in any other currency as at the close of issue of the relevant Securities). For the purposes of calculating the U.S. dollar equivalent of the aggregate principal amount or implied notional amount, as the case may be, of relevant Securities issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Securities denominated in another Specified Currency or payable in another Settlement Currency (as applicable) will be determined as of the date of agreement to issue such Securities on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency or Settlement Currency (as applicable) in the London foreign exchange market quoted by the Issuing and Paying Agent on such date or such other rate as the Issuer and the relevant Dealer may agree;
- (b) the U.S. dollar equivalent of Dual Currency Notes and Reference Item Linked Notes will be calculated in the manner specified above by reference to the original principal amount of such Notes;

- (c) the principal amount of Zero Coupon Notes and other Notes issued at a discount or a premium will be deemed to be the net proceeds received by the Bank for the relevant issue of Notes;
- (d) the principal amount of Redeemable Certificates and Exercisable Certificates that constitute deposit liabilities under the *Bank Act* (Canada) will be deemed to be the net proceeds received by the Bank for the relevant issue of such Certificates; and
- (e) the face principal amount of Partly-Paid Notes will be taken into account regardless of the amount of the subscription price paid.

FORM OF THE SECURITIES

Notes

The Notes of each Series will be in either (a) bearer form, with or without receipts, interest coupons and/or talons attached, (b) registered form, without receipts, interest coupons and/or talons attached or, (c) dematerialized and uncertificated book-entry form without receipts, interest coupons and/or talons attached settled in Euroclear Sweden ("**Swedish Notes**"). Bearer Notes will only be issued outside the United States.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global Note without receipts or interest coupons attached (a "**Temporary Global Note**") or, if so specified in the applicable Final Terms, a permanent global Note without receipts or interest coupons attached (a "**Permanent Global Note**" and, together with the Temporary Global Notes, the "**Bearer Global Notes**" and each a "**Bearer Global Note**") which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global Note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safe-keeper (the "**Common Safe-keeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

While any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable, or specified assets deliverable, in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Global Note of the same Series; or (ii) for Definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the applicable Final Terms) Registered Notes in definitive form (as indicated in the applicable Final Terms and subject, in the case of Notes in definitive form, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-US beneficial ownership as described above, unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amounts due, or specified assets

deliverable, on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Notes in definitive form is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note (other than Senior Notes which are to be settled in SIX SIS (“**Swiss Notes**”)) will be exchangeable (free of charge), in whole but not in part, for Definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the applicable Final Terms) Registered Notes in definitive form (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder’s request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Notes and/or Registered Notes in definitive form is required, deposit the relevant Permanent Global Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

Bearer Global Notes and Definitive Notes will be issued pursuant to the Issue and Paying Agency Agreement (as defined in the Terms and Conditions of the Notes).

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all receipts and interest coupons relating to such Bearer Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes, receipts or interest coupons.

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

Registered Notes

Registered Notes will be issued in the form of a global Registered Note (a “**Global Registered Note**”) deposited with a common depository for, and registered in the name of a

common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Global Registered Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form.

Payments of principal, interest and any other amount in respect of the Global Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the Global Registered Note. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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

Interests in a Global Registered Note (other than Swiss Notes) will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Global Registered Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Registered Notes in definitive form is required, deposit the relevant Global Registered Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

Direct Rights

As noted above, Notes in global form are, in certain circumstances, exchangeable for Notes in definitive form. In the event that (a) a global Note has become due and payable as a result of acceleration as described under "Terms and Conditions of the Notes – Events of Default" or that the Maturity Date in respect thereof has occurred and, in either case, payment in full of the amount due is not made before 8:00 p.m. (London time) on the relevant due date or (b) a global Note is not duly exchanged by 6:00 p.m. (London time) on the thirtieth day after the time at which the preconditions to such exchange are first satisfied, the owner of a beneficial interest in such global Note shall become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system, as specified in the relevant global Note or, in the case of Senior Notes governed by English law, the relevant Deed of Covenant, a copy of which is available at the specified office of the Issuing and Paying Agent.

Swedish Notes

Swedish Notes will be issued in dematerialized and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw: *lag (1998:1479) om kontoföring av finansiella instrument*) (the “**SFIA Act**”), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden. Swedish Notes will not be issued in definitive form and Swedish Notes will not be exchangeable for Registered Notes or Bearer Notes or vice versa.

Swedish Notes will be registered in a register (sw. *avstämningsregister*) held by Euroclear Sweden on behalf of the Issuer (the “**Swedish Notes Register**”) and payments of principal, interest or any other amounts on Swedish Notes will be made by Euroclear Sweden on behalf of the Issuer to the persons registered as holders of such notes in the Swedish Notes Register on the fifth Payment Date prior to the due date of the relevant payment.

Swiss Notes

Swiss Notes will be issued either in the form of a Permanent Global Note or a Global Registered Note and will be transformed into intermediated securities (“**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by the deposit of a Permanent Global Note or a Global Registered Note, as the case may be, with SIX SIS AG (“**SIX SIS**”) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or such other intermediary, the “**relevant Swiss clearing system**”), acting as custodian as defined in article 4 of the FISA (the “**Custodian**”), and (ii) the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 of the FISA.

In respect of Swiss Notes represented by a Global Note, neither the Issuer nor the Holders of such Notes shall at any time have the right to effect or demand the conversion of the Global Note into, or the delivery of, uncertificated notes or Notes in definitive form. Notes in definitive form may only be printed if the Swiss Programme and Paying Agent deems the printing of Notes in definitive form to be necessary or desirable for the enforcement of obligations under the Swiss Notes, including, without limitation, if, under Swiss or any applicable foreign law, the enforcement of obligations under the Swiss Notes can only be assured by means of Notes in definitive form. In such circumstances the Swiss Programme and Paying Agent may request the Issuer in writing to arrange for the issue of Notes in definitive form and the Issuer will cause the Notes in definitive form to be executed and delivered as soon as practicable (and in any event within forty-five days of the Swiss Programme and Paying Agent’s written request) to the Swiss Programme and Paying Agent for completion, authentication and delivery, free of charge, to the relevant Swiss clearing system for the relevant Holders, against cancellation of the Swiss Notes in the Holder’s securities account.

If a Global Registered Note or Registered Notes in definitive form are issued in respect of any Swiss Note, the Swiss Programme and Paying Agent and the Issuer will each maintain a register of the Holders to which such Registered Notes have been issued (the “**Swiss Register**”).

W&C Securities

Each tranche of W&C Securities will be initially issued in the form of a temporary global W&C Security (a “**Temporary Global W&C Security**”) or, if so specified in the applicable Final Terms, a permanent global W&C Security (a “**Permanent Global W&C Security**” and, together with the Temporary Global W&C Security, the “**Global W&C Securities**” and each a “**Global W&C Security**”) which, in either case, will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Subject to applicable law, no W&C Securities in definitive form will be issued.

Each Holder of W&C Securities is entitled to proceed directly against the Issuer as specified in the Global W&C Security or, in the case of W&C Securities governed by English law, the Deed of Covenant, a copy of which is available at the specified office of the Issuing and Paying Agent.

While any W&C Securities is represented by a Temporary Global W&C Security, payments of any amount payable, or specified assets deliverable, in respect of the W&C Securities due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global W&C Security) only to the extent that certification to the effect that the beneficial owners of interests in such W&C Securities are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global W&C Security is issued, interests in such Temporary Global W&C Security will be exchangeable (free of charge) for interests in a Permanent Global W&C Security of the same Series, against certification of non-US beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global W&C Security will not be entitled to collect any payment of amounts, or specified assets deliverable (as applicable), due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global W&C Security for an interest in a Permanent Global W&C Security is improperly withheld or refused.

Payments of any amounts on a Permanent Global W&C Security will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

Global W&C Securities will be issued pursuant to the Issue and Paying Agency Agreement.

The following legend will appear on all Global W&C Securities (which have an original maturity of more than one year):

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on W&C Securities and will not be entitled to capital gains

treatment of any gain on any sale, disposition, redemption or payments or deliveries in respect of such W&C Securities.

Swiss W&C Securities

Swiss W&C Securities will be issued in the form of a Permanent Global W&C Security and will be transformed into Intermediated Securities in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of the Permanent Global W&C Security with the relevant Swiss clearing system, acting as custodian as defined in article 4 FISA (the “**Custodian**”) and (ii) the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 FISA.

General

Pursuant to the Issue and Paying Agency Agreement, the Issuing and Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities, the Securities of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Securities of any other Tranche of the same Series until at least the expiry of 40 days after the Issue Date.

Any reference herein to Euroclear and/or Clearstream, Luxembourg, SIX SIS or Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Issuing and Paying Agent.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes, which as supplemented, modified or replaced in relation to any Notes by the applicable Final Terms, will be applicable to each Series of Notes issued after the date of this Prospectus unless otherwise specified in the applicable Final Terms. Either (i) the full text of these Terms and Conditions (subject to simplification by deletion of non-applicable provisions) together with the relevant provisions of the Final Terms or (ii) these Terms and Conditions as so supplemented, modified or replaced (subject to simplification by deletion of non-applicable provisions) shall be endorsed on the definitive Bearer Notes and Registered Notes, and in the case of Global Notes, these Terms and Conditions shall be incorporated by reference into such Notes and the applicable Final Terms attached thereto. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms.

The Notes (other than Swedish Notes and Swiss Notes (each as defined below)) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated April 13, 2012 (as further amended, supplemented, restated or replaced, the “**Issue and Paying Agency Agreement**”) and made between Royal Bank of Canada (the “**Issuer**”), The Bank of New York Mellon, London branch, in its capacities as issuing and principal paying agent and principal certificate and warrant agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to The Bank of New York Mellon, London branch in its capacity as such) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such and any additional registrars appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression “**Paying Agents**” as used herein shall include the Issuing and Paying Agent and any additional paying agents appointed, if any, in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The issuance of Swedish Notes is governed by a Swedish Notes issuing and paying agent agreement (as further amended, supplemented, restated or replaced, the “**Swedish Notes Issuing and Paying Agent Agreement**”) dated October 31, 2011 and made between the Issuer and Skandinaviska Enskilda Banken AB (publ) (the “**Swedish Notes Issuing and Paying Agent**”, which expression shall include any successor to Skandinaviska Enskilda Banken AB (publ) in its capacity as such provided that such successor is duly authorised under the Swedish Financial Instruments Accounts Act 1998 (*Sw. Lagen (1998:1479) om kontoföring av finansiella instrument*) (the “**SFIA Act**”). Any references in the Terms and Conditions of the Notes to “Issue and Paying Agency Agreement” shall be deemed to include, where the context so admits, reference to the Swedish Notes Issuing and Paying Agent Agreement. Copies of the Swedish Notes Issuing and Paying Agent Agreement will be available for inspection during normal business hours at the initial specified offices of the Swedish Notes Issuing and Paying Agent and the Issuer, respectively. All persons from time to time entitled to the benefit of obligations under any Swedish Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Swedish Notes Issuing and Paying Agent Agreement insofar as they relate to the relevant Swedish Notes.

The holders of Senior Notes governed by English law (including Swiss Notes) and the relevant holders of Receipts and Coupons are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated April 13, 2012 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and

Clearstream, Luxembourg (as defined below). The holders of Swedish Notes are entitled to the benefit of the Deed of Covenant (the "**Swedish Deed of Covenant**") dated April 13, 2012 and made by the Issuer. The original of the Swedish Deed of Covenant is held by the Issuing and Paying Agent. Copies of the Issue and Paying Agency Agreement, the Deed of Covenant and the Swedish Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents, including, in respect of the Swiss Notes, the Swiss Programme and Paying Agent, and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Notes.

Senior Notes that are Reference Item Linked Notes (as defined below) and are to be settled in SIX SIS AG (the "**Swiss Notes**") are issued pursuant to and in accordance with the Issuing and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement (as further amended, supplemented, restated or replaced, the "**Swiss Supplemental Agency Agreement**") dated April 13, 2012 and made between the Issuer and BNP Paribas Securities Services, Paris, Zurich Branch (the "**Swiss Programme and Paying Agent**"). Any reference in the Terms and Conditions of the Notes to "Issuing and Paying Agency Agreement" shall be deemed to include, where the context so admits, reference to the Issuing and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement. Copies of the Issue and Paying Agency Agreement and the Swiss Supplemental Agency Agreement are available for inspection during normal business hours at the specified office of the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the Swiss Notes shall be deemed to have notice of, and shall be bound by, all other provisions of the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement.

The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. Each Tranche will be the subject of Final Terms (each, "**Final Terms**"), a copy of which, subject as provided below, will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. In the case of a Tranche of Notes that is not offered to the public nor admitted to trading on a regulated market in any Member State of the European Union, Iceland, Norway or Liechtenstein (together, the "**European Economic Area**") in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure nor admitted to trading on the Professional Securities Market, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Notes.

References in these Terms and Conditions (the "**Conditions**") to Notes are to Notes of the relevant Series and means:

- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Note issued on exchange for a Global Note; and
- (d) any Swedish Note.

References to Coupons (as defined in Condition 1.06) and Receipts (as defined in Condition 1.07) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Conditions to the Final Terms are to Part A of the Final Terms(s) prepared in relation to the Notes of the relevant Tranche or Series.

The applicable Final Terms for the Notes supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent that is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Notes.

1. Form and Denomination

1.01 Notes are issued in either (a) bearer form (“**Bearer Notes**”) (b) registered form (“**Registered Notes**”) or (c) in the case of Senior Notes, dematerialised uncertificated book-entry form settled in Euroclear Sweden AB (“**Swedish Notes**”), as specified in the applicable Final Terms and, with the exception of Swedish Notes, are serially numbered. Registered Notes and Swedish Notes will not be exchangeable for Bearer Notes.

The Note is a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms. This Note may be a Note bearing interest on a fixed rate basis (“**Fixed Rate Note**”), a Note bearing interest on a floating rate basis (“**Floating Rate Note**”), a Note issued on a non-interest bearing basis (“**Zero Coupon Note**”), a Note with respect to which interest is calculated by reference to an index or a basket of indices (“**Index Linked Interest Note**”), a Note with respect to which principal is calculated by reference to an index or a basket of indices (“**Index Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to currencies or a basket of currencies (a “**Currency Linked Interest Note**”), a Note with respect to which principal is calculated by reference to currencies or a basket of currencies (a “**Currency Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Redemption Note**”), a Note redeemable in instalments (“**Instalment Note**”), a Note to which principal is subject to the occurrence of a credit event on a specified reference entity(ies) and satisfaction of conditions to settlement is linked to the credit of a specified entity or entities (“**Credit Linked Note**”), a Note with respect to which principal is calculated by reference to specified preference shares of the Preference Share Issuer (“**Preference Share Linked Note**”), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“**Dual Currency Note**”), a Note which is issued on a partly paid basis (“**Partly Paid Note**”), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (“**Inverse Floating Rate Note**”), a Fixed/Floating Rate Note, or a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms. In these Conditions, any item noted above by reference to which the principal or interest of a

Note is calculated shall be referred to as a “**Reference Item**”. Any Reference Item linked Notes, shall be referred to as “**Reference Item Linked Notes**”.

Swedish Notes are being issued in uncertificated and dematerialised book-entry form in accordance with the SFIA Act. No global or definitive Swedish Notes will be issued and these Conditions shall be construed accordingly. The Swedish Notes will be transferable only in accordance with the provisions of the SFIA Act, other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden AB (“**Euroclear Sweden**”).

Unless otherwise specified in the applicable Final Terms, the Issuer shall have access to the register of creditors (*Sw. skuldboken*) in respect of the Swedish Notes.

Swiss Notes will be issued either in the form of a Permanent Global Note or a Global Registered Note (each as defined below) and will be transformed into intermediated securities (“**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by the deposit of a Permanent Global Note or a Global Registered Note, as the case may be, with SIX SIS AG (“**SIX SIS**”) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or such other intermediary, the “**relevant Swiss clearing system**”), acting as custodian as defined in article 4 of the FISA (the “**Custodian**”), and (ii) the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 of the FISA.

Bearer Notes

1.02 The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation § 1.163- 5(c)(2)(i)(C) (the “**TEFRA C Rules**”) shall apply. Each Tranche of Bearer Notes with an original maturity of more than one year is represented upon issue by a temporary global Note (a “**Temporary Global Note**”), unless the Final Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Notes so specify or where a Tranche of Bearer Notes has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Note (a “**Permanent Global Note**”).

Interests in the Temporary Global Note may be exchanged for:

- (i) interests in a Permanent Global Note; or
- (ii) if so specified in the Final Terms, definitive Bearer Notes (“**Definitive Notes**”) and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the Final Terms) Registered Notes.

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specify that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received in accordance with the terms of the Temporary

Global Note (each certification in such form as is required by the relevant clearing system). An exchange of interests in a Temporary Global Note or a Permanent Global Note for Registered Notes will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

1.03 The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes and/or Registered Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to collect any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

1.04 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Notes and subject to Condition 1.03 above, if any date on which a payment of interest is due on the Notes of a Tranche occurs while any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in such form as is required by the relevant clearing system), has been received by Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any other relevant clearing system in accordance with the terms of the Temporary Global Note. Payments of amounts due in respect of a Permanent Global Note or (subject to Condition 1.03 above) a Temporary Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream, Luxembourg shall be deemed to include a reference to any other relevant clearing system.

1.05 In respect of Notes other than Swiss Notes, interests in a Permanent Global Note will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Note, for Definitive Notes and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the applicable Final Terms) Registered Notes, (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Notes and/or Registered Notes is required, deposit the relevant Permanent Global Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

In respect of Swiss Notes represented by a Permanent Global Note, neither the Issuer nor the Holders of such Notes shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated notes or Definitive Notes. Definitive Notes may only be printed if the Swiss Programme and Paying Agent deems the printing of Definitive Notes to be necessary or desirable for the enforcement of obligations under the Swiss Notes, including, without limitation, if, under Swiss or any applicable foreign

law, the enforcement of obligations under the Swiss Notes can only be assured by means of Definitive Notes. In such circumstances the Swiss Programme and Paying Agent may request the Issuer in writing to arrange for the issue of Definitive Notes and the Issuer will cause the Definitive Notes to be executed and delivered as soon as practicable (and in any event within forty-five days of the Swiss Programme and Paying Agent's written request) to the Swiss Programme and Paying Agent for completion, authentication and delivery, free of charge, to the relevant Swiss clearing system for the relevant Holders, against cancellation of the Notes in the Holder's securities account.

1.06 Definitive Notes that are interest bearing have attached thereto, at the time of their initial delivery, coupons ("**Coupons**"), the presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Definitive Notes that are interest bearing, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

1.07 Definitive Notes, the principal amount of which is repayable by instalments ("**Instalment Notes**") in such amounts as may be specified in, or determined in accordance with, the provisions of the Final Terms (each an "**Instalment Amount**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the applicable Final Terms, have attached thereto, at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the Instalment Amounts repaid.

Registered Notes

1.08 Where the Final Terms applicable to a Tranche of Registered Notes so specify, such Tranche is represented upon issue by a global registered note ("**Global Registered Note**").

Other than in respect of Swiss Notes (as defined below), interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Global Registered Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Registered Notes in definitive form is required, deposit the relevant Global Registered Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

In respect of Swiss Notes represented by a Global Registered Note, neither the Issuer nor the Holders of such Notes shall at any time have the right to effect or demand the conversion of the Global Registered Note into, or the delivery of, uncertificated notes or Registered Notes in definitive form. Registered Notes in definitive form may only be printed if the Swiss Programme and Paying Agent deems the printing of Registered Notes in definitive form to be necessary or desirable for the enforcement of obligations under the Swiss Notes, including, without limitation, if, under Swiss or any applicable foreign law, the enforcement of obligations under the Swiss Notes can only be assured by means of Registered Notes in definitive form.

In such circumstances, the Swiss Programme and Paying Agent may request the Issuing and Paying Agent in writing to arrange for the issue of Registered Notes in definitive form and the Issuer will cause Registered Notes in definitive form to be executed and delivered as soon as practicable (and in any event within forty-five days of the Swiss Programme and Paying Agent's written request) to the Swiss Programme and Paying Agent for completion, authentication and delivery, free of charge, to SIX SIS for the relevant Holders, against cancellation of the Swiss Notes in the Holder's securities account.

If a Global Registered Note or Registered Notes in definitive form are issued in respect of any Swiss Note, the Swiss Programme and Paying Agent and the Issuer will each maintain a register of the Holders to which such Registered Notes have been issued (the "**Swiss Register**").

1.09 Intentionally Deleted

Denomination

Denomination of Bearer Notes

1.10 Bearer Notes are in the Specified Denomination(s) specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

Denomination of Registered Notes

1.11 Registered Notes are in the Specified Denominations specified in the applicable Final Terms.

Denomination of Swedish Notes

1.11a Swedish Notes are in the Specified Denominations specified in the applicable Final Terms.

Currency of Notes

1.12 The Notes are denominated in such currency as may be specified in the applicable Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Notes

1.13 Senior Notes may be issued on a partly paid basis ("**Partly Paid Notes**") if so specified in the Final Terms. The Issue Price therefor shall be paid in such number of instalments, in such amounts, on such dates and in such manner as may be specified in the applicable Final Terms. The first such instalment shall be due and payable on the Issue Date. For the purposes of these Conditions, in respect of any Partly Paid Note, "**Paid Up Amount**" means the aggregate amount of all instalments in respect of the Issue Price as shall have fallen due and been paid up in full in accordance with these Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any instalment (other than the first such payment) the Issuer shall give a notice in accordance with Condition 17 stating the due date for payment thereof and stating that failure to pay any such instalment on or prior to such date will entitle the Issuer to forfeit the Notes with effect from such date ("**Forfeiture Date**") as may be specified in such notice (not being less than 14 days

after the due date for payment), unless payment of the relevant instalment amount together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any amount paid in respect of any Partly Paid Notes subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any amount so returned.

Interest shall accrue on any amount which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of Zero Coupon Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant amount up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any amount made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.11).

Unless an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Notes in respect of which any amount shall not have been duly paid, whereupon the Issuer shall be entitled to retain the Paid-Up Amount in respect of such Notes and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such Notes are represented by a Temporary Global Note or a Permanent Global Note) to exchange any interests in such Note for interests in a Permanent Global Note or to deliver Definitive Notes or Registered Notes in respect thereof, but shall have no other rights against any person entitled to the Notes which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Notes, for so long as any amount remains due but unpaid, and except in the case where an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, (i) no interests in a Temporary Global Note may be exchanged for interests in a Permanent Global Note and (ii) no transfers of Registered Notes or exchanges of Bearer Notes for Registered Notes may be requested or effected.

Until such time as the Issue Price in respect of Partly Paid Notes shall have been paid in full and except in the case where an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing or if any of Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event, no interests in a Temporary Global Note or a Permanent Global Note may be exchanged for Definitive Notes or Registered Notes.

2. Title and Transfer

2.01 Title to Bearer Notes, Receipts and Coupons passes by delivery. References herein to the “**Holders**” of Bearer Notes or of Receipts or Coupons are to the bearers of such Bearer Notes or such Receipts or Coupons.

2.02 Title to Registered Notes passes by due endorsement in the relevant register. The Issuer shall procure that the Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Notes and particulars of the Registered Notes held by them. Such registration shall be noted on the Registered Notes by the Registrar. References herein to the “**Holders**” of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.

2.02a The person appearing in the register (*sw. avstämningsregister*) held by Euroclear Sweden on behalf of the Issuer (the “**Swedish Notes Register**”) will be treated as the holder of the relevant Swedish Notes and title to the Swedish Notes passes only by registration in the Swedish Notes Register. References herein to the “**Holders**” of Swedish Notes are to the persons in whose names such Swedish Notes are so registered in the Swedish Notes Register. Where a nominee (*Sw. förvaltare*) is so evidenced it shall be treated as the Holder of the relevant Securities.

2.03 The Holder of any Bearer Note, Coupon, Registered Note or Swedish Note will for all purposes of the Issue and Paying Agency Agreement and the Swedish Notes Issuing and Paying Agent (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

2.04 In respect of Swiss Notes, title to Intermediated Securities is construed and will pass in accordance with the applicable Swiss legislation (in particular the FISA), rules and regulations applicable to and/or issued by the relevant Swiss clearing system, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, reference to the “**Holders**” of Intermediated Securities herein means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

Notwithstanding the above and anything contrary herein, the Issuer shall make all payments and/or delivery of Entitlements due to the Holders under the Swiss Notes to the Swiss Programme and Paying Agent and, upon receipt by the Swiss Programme and Paying Agent of the due and punctual payment of such funds and/or delivery of Entitlements in Switzerland, the Issuer shall be discharged from its obligations to the Holders under such Swiss Notes to the extent that such funds and/or Entitlement has been received by the Swiss Programme and Paying Agent as of such date.

In respect of Swiss Notes that are Definitive Notes, title to such Swiss Notes shall be governed by Condition 2.01.

In respect of Swiss Notes that are Registered Notes in definitive form, title to such Swiss Notes shall pass by registration in the Swiss Register.

Holders of Global Notes

2.04a For so long as any of the Notes (other than Swiss Notes that have been transformed into Intermediated Securities) is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or such other clearing system as set out in the applicable Final Terms, each person (other than Euroclear or Clearstream, Luxembourg or such other clearing system as set out in the applicable Final Terms) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or such other clearing system as the holder of a particular principal amount of such Notes (a “**Relevant Account Holder**”) (in

which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Temporary Global Note and/or Permanent Global Note or registered holder of a Global Note shall be treated by the Issuer, the Issuing and Paying Agent and any Paying Agent and any Registrar as the holder of such principal amount of such Notes in accordance with and subject to the terms of the Global Note and/or the Deed of Covenant, as the case may be, and the expression “**Holder**” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system, as the case may be in force from time to time.

Transfer of Registered Notes and exchange of Bearer Notes for Registered Notes

2.05 A Registered Note may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement and as required by law, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum Specified Denomination specified in the applicable Final Terms) upon the surrender of the Registered Note to be transferred, together with a form of transfer duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

2.06 If so specified in the applicable Final Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement and as may be required by law. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of America (the “**United States**”) of the Issuing and Paying Agent or of the Registrar, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than any Coupon where the exchange date (as defined in Condition 2.06) would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 19.10) for such payment of interest and the next Interest Payment Date for such Coupon.

2.07 Each new Registered Note to be issued upon the registration of the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

For the purposes of these Conditions:

- (i) “**Relevant Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;
- (ii) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.04.

2.08 The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge by or on behalf of the Issuer, the Issuing and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

Minimum Trading Size

2.09 Notes represented by a Global Note may, if specified in the applicable Final Terms, be subject to a Minimum Trading Size, in which case such Notes will, for so long as they are cleared through Euroclear or Clearstream, Luxembourg, be transferrable only in a principal amount of not less than such Minimum Trading Size. Notwithstanding the foregoing, such Notes will only be transferrable in accordance with the rules of Euroclear or Clearstream, Luxembourg.

3. Status of the Notes

Status – Unsubordinated Notes

3.01 This Condition 3.01 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Notes. The Senior Notes constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (including deposit liabilities), except as otherwise prescribed by law.

Status – Subordinated Notes

3.02 This Condition 3.02 is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes. The Subordinated Notes will evidence subordinated indebtedness of the Issuer for purposes of the *Bank Act* (Canada). The Subordinated Notes constitute legal, valid and binding direct, subordinated and unsecured obligations of the Issuer enforceable in accordance with their terms and rank *pari passu* with all other present and future subordinated indebtedness of the Issuer other than subordinated indebtedness having a priority to the Subordinated Notes by virtue of any law now or hereafter in force. The subordinated indebtedness evidenced by the Subordinated Notes will, in the event of the

insolvency or winding-up of the Issuer, be subordinate in right of payment to all deposit liabilities of the Issuer and all other liabilities of the Issuer except those which by their terms rank equally with or are subordinate to such subordinated indebtedness and except as otherwise prescribed by law.

4. Covenant

The Issuer will not create, incur or permit the existence of indebtedness which, in the event of insolvency or winding-up of the Issuer, will rank subordinate to deposit liabilities and in priority to Subordinated Notes.

5. Interest

Interest

5.01 Notes may be interest-bearing or non interest-bearing. The Interest Basis is specified in the applicable Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the applicable Final Terms shall have the meanings given to them in Condition 5.11.

Where the Notes pay interest, the interest is payable as consideration for the use of the Issue Price in respect of a Note and as compensation in recognition that the interest on any or all of the Interest Payment Dates may be equal to zero or less than a commercial rate of return on the Notes and/or that the Final Redemption Amount and/or value of the Entitlement may be less than the Issue Price. For the avoidance of doubt, in the event that the interest amount for an Interest Payment Date is zero or less, no amount shall be payable by the Issuer in respect of such Interest Payment Date.

5.01a Notwithstanding anything to the contrary in these Conditions (and in particular this Condition 5), interest on Swedish Notes shall accrue and be calculated from (but excluding) the Interest Commencement Date to (and including) the first Interest Payment Date and following the first Interest Payment Date from (but excluding) an Interest Payment Date to (and including) the next occurring Interest Payment Date and the definition of “Interest Period” shall be construed accordingly.

Interest on Fixed Rate Notes

5.02 Each Fixed Rate Note bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date if that does not fall on an Interest Payment Date.

Unless otherwise provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of Interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, “**Fixed Interest Period**” means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

Interest will be calculated on the Calculation Amount of the Fixed Rate Notes. If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no

Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

5.03 Interest on Floating Rate Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes and Equity Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Commodity Linked Interest Note, Currency Linked Interest Note, Fund Linked Interest Note and Equity Linked Interest Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the Interest Period(s) specified in the applicable Final Terms). Interest will be calculated on the Calculation Amount of the Floating Rate Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes and Equity Linked Interest Notes.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes and Equity Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) Screen Rate Determination

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined:

- (i) the Rate of Interest for each Interest Period will, subject as provided below, be either:
 - (1) the offered quotation, or
 - (2) the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate for deposits in the Specified Currency for that Interest Period which appears or

appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, all as determined by the Calculation Agent;

- (ii) if, on any Interest Determination Date, no such Reference Rate so appears or, as the case may be, if fewer than two offered quotations so appear or if the Relevant Screen Page is unavailable or if the offered rate or rates which appear as at the Relevant Time do not apply to a period or duration equal to the Interest Period, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Financial Centre as selected by the Calculation Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Notes during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates so determined plus or minus (as indicated in the applicable Final Terms) the Margin, if any, provided however that if the Calculation Agent is unable to determine a rate or, as the case may be, an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates determined in relation to such Notes in respect of the last preceding Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin, if any.

ISDA Rate Determination

5.04 Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin, if any. For purposes of this Condition 5.04, “**ISDA Rate**” for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Fixed Prices, Floating Rates, Floating Amounts or Floating Prices, as the case may be, or as otherwise specified in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of

such Note under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;
- the Designated Maturity is the period specified in the applicable Final Terms;
- the Issuing and Paying Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“**LIBOR**”) or on the Euro-zone inter-bank offered rate (“**EURIBOR**”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms;
- the Calculation Amount is the principal amount of such Note;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the applicable Final Terms.

For the purposes of this Condition 5.04 “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Maximum or Minimum Rate of Interest

5.05 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

5.06 Subject to Condition 19.14, interest on a Note will cease to accrue from the due date for its redemption (or, in the case of an Instalment Note, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption

Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the applicable Final Terms if permitted by applicable law (“**Default Rate**”) until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 24 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Notes), the Issuer, the Holders in accordance with Condition 24 and, if the Notes are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 16, the Rate of Interest and any accrued interest payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Notes and a Calculation Agent, if provision is made for one in the Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

5.08 The amount of interest payable in respect of any Note for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction, save that (i) if the Final Terms specifies a specific amount, or a formula for the calculation of an amount, in respect of such period, the amount of interest payable in respect of such Note for such Interest Period will be equal to such amount and (ii) in the case of Fixed Rate Notes, the interest shall be calculated on such basis as may be specified in the applicable Final Terms.

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the smallest sub-unit of such currency, with halves being rounded upwards.

Where the Notes are represented by a Global Note or where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Outstanding Principal Amount of the Global Note or the Specified Denomination of a Note in definitive form, without any further rounding.

Interest on Dual Currency Notes

5.09 In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

Interest on Partly Paid Notes

5.10 In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up principal amount of such Notes and otherwise as specified in the applicable Final Terms.

Definitions

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

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

“Business Day” means:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) either (A) in relation to Notes payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the principal financial centre of the country of the relevant Specified Currency specified in the applicable Final Terms or (B) in relation to Notes payable in euro, a day (other than a Saturday or Sunday) which is a TARGET Business Day (as defined below); and
- (iii) a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Centre(s) specified in the applicable Final Terms.

“Business Day Convention” means a convention for adjusting any date if (i) it would otherwise fall on a day that is not a Business Day or (ii) there is no numerically corresponding day in the calendar month(s) in which such date should occur, and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Notes, shall have the following meanings:

- (A) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (B) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (C) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (D) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that:
 - (1) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (2) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (3) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

“**Calculation Agent**” means such agent as may be specified in the Final Terms as the Calculation Agent.

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (each such period an “**Accrual Period**”), such day count fraction as may be specified in the Final Terms and:

- (a) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (b) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Accrual Period divided by 365;
- (c) if “**Actual/360**” is so specified, means the actual number of days in the Accrual Period divided by 360;
- (d) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31, in which case D₂ will be 30;

- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

- (f) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (g) if “**Actual/Actual (ICMA)**” is so specified:
- (i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
 - (ii) if the Accrual Period is longer than the Determination Period, the sum of:
 - (x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
 - (y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year

where:

“**Determination Date**” means such dates as specified in the applicable Final Terms; and

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

“**euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

“**Euro-zone**” means the region comprised of those member states of the European Union participating in the European Monetary Union from time to time.

“**Financial Centre**” means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “Business Day” in the ISDA Definitions or indicated in the applicable Final Terms or, in the case of Notes denominated in euro, such financial centre or centres as the Calculation Agent may select.

“Interest Commencement Date” means the date of issue (the **“Issue Date”**) of the Notes (as specified in the Final Terms) or such other date as may be specified as such in the applicable Final Terms.

“Interest Determination Date” means, in respect of any Interest Period, the date specified in the applicable Final Terms, or if none is specified:

- (i) the first day of such Interest Period; or
- (ii) in the case of LIBOR (other than Sterling LIBOR) or EURIBOR, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET Business Days) prior to the first day of such Interest Period.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the applicable Final Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the applicable Final Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date of the Notes (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Maturity Date.

“ISDA Definitions” means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“Minimum Trading Size” has the meaning ascribed to it in the applicable Final Terms.

“Outstanding Principal Amount” means, in respect of a Note, its principal amount less, in respect of any Instalment Note, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or, in the case of a Partly Paid Note, the Paid Up Amount of such Note or otherwise as indicated in the applicable Final Terms.

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, the applicable Final Terms.

“Reference Banks” means such banks as may be specified in the applicable Final Terms as the Reference Banks, or, if none are specified, **“Reference Banks”** has the meaning given in the ISDA Definitions, *mutatis mutandis*.

“Relevant Time” means the time as of which any rate is to be determined as specified in the Final Terms (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time) or, if none is specified, at which it is customary to determine such rate.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying such information).

“TARGET Business Day” means a day in which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Zero-Coupon Notes

5.12 If any Final Redemption Amount in respect of any Zero Coupon Note is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Accrual Yield defined in, or determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 24 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 as if the Rate of Interest was the Accrual Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.11).

6. Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled each Note (unless otherwise specified in the applicable Final Terms or the Conditions relating to Reference Item Linked Notes) shall be redeemed at its Final Redemption Amount specified in or determined in the manner specified in the applicable Final Terms in the Specified Currency on the Maturity Date.

The Final Redemption Amount is payable as consideration for the use of the Issue Price of the Notes and as compensation in recognition that the Final Redemption Amount might otherwise have been less than the Issue Price.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Notes (provided that in the case of Subordinated Notes the prior consent of the Superintendent of Financial Institutions (Canada) is obtained) (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Notes issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such Notes or any other date specified in the applicable Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 18, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the

delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes or other Reference Item Linked Notes, on an Interest Payment Date) to the Holders of the Notes in accordance with Condition 24 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount or, in the case of Zero Coupon Notes, their Amortised Face Amount (as defined in Condition 6.12) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes or other Reference Item Linked Notes a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

Call Option

6.03 If Call Option is specified in the applicable Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 24, which notice shall be irrevocable and shall specify the date fixed for redemption, and subject to such conditions as may be specified in the applicable Final Terms and Condition 16.03 in the case of Preference Share Linked Notes, redeem all or some only of the Notes of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the applicable Final Terms together with accrued interest (if any) thereon on the date specified in such notice. At the date hereof, Subordinated Notes may be redeemed at the option of the Issuer only with the prior approval of the Superintendent of Financial Institutions (Canada).

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 24, which notice shall be irrevocable and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 30 days nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms) after the date on which such notice is given and

which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the applicable Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and

- the Optional Redemption Amount at which such Notes are to be redeemed.

Partial Redemption

6.05 If the Notes are to be redeemed in part only on any date in accordance with Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;
- in the case of a partial redemption of Definitive Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;
- in the case of a Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion);
- in the case of Registered Notes and Swedish Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the minimum Specified Denomination thereof or an integral multiple thereof, and
- in the case of Swiss Notes, the Notes to be redeemed shall be selected in accordance with the rules of SIX SIS (to be reflected in the records of SIX SIS as either a pool factor or a reduction in principal amount, at their discretion),

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Notes may be listed.

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.07, which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

Put Option

6.06 If Put Option is specified in the applicable Final Terms as being applicable, upon the Holder of any Note of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Note subject to and in accordance with the terms specified in the

applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date (or such other notice period as may be specified in the applicable Final Terms) deposit the relevant Note (together, in the case of a Definitive Note that is not a Zero Coupon Note, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of Condition 19.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any Paying Agent or, as the case may be, the Registrar specifying, in the case of a Global Note or Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum Specified Denomination specified in the applicable Final Terms or an integral multiple thereof). Notwithstanding the foregoing, Notes represented by a Global Note or Registered Note shall be deemed to be deposited with a Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, in respect of such Notes. No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.08 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

The Holder of a Note may not exercise such Put Option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6.02 or 6.03.

Redemption for Illegality

6.07 In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or any arrangement made to hedge the Issuer's obligations under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than ten (10) nor more than 30 days' notice to Holders in accordance with Condition 24 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Trigger Early Redemption

6.08 If Trigger Early Redemption is specified as applicable in the applicable Final Terms, on the occurrence of the Trigger Early Redemption Event, the Issuer has the obligation to redeem the Notes on the applicable Trigger Early Redemption Date against payment of the applicable Trigger Early Redemption Amount in accordance with the Conditions of the Notes.

Purchase of Notes

6.09 The Issuer or any of its subsidiaries may (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Superintendent of Financial Institutions (Canada)) at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of the relevant Notes alike.

Cancellation of Redeemed and Purchased Notes

6.10 All unmatured Notes and Coupons redeemed in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold. All unmatured Notes and Coupons purchased in accordance with Condition 6.09 may be cancelled or may be reissued or resold.

Further Provisions applicable to Redemption Amount and Instalment Amounts

6.11 The provisions of Condition 5.07 and the second paragraph of Condition 5.08 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.

References herein to “**Redemption Amount**” shall mean, as appropriate, the Final Redemption Amount, Final Instalment Amount, the Optional Redemption Amount, the Trigger Early Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the applicable Final Terms.

6.12 The Redemption Amount payable in respect of any Zero Coupon Note shall be the Amortised Face Amount of such Note. The “**Amortised Face Amount**” shall be an amount equal to the sum of:

- (i) the Reference Price specified in the applicable Final Terms; and
- (ii) the product of the Accrual Yield (compounded annually or otherwise as specified in the applicable Final Terms) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a full year, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.11) specified in the applicable Final Terms.

6.13 If any Redemption Amount (other than the Final Redemption Amount) of any Zero Coupon Note is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6.12 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date (the “**Reference Date**”) which is the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Note (if required), all amounts due have been paid; and

- (ii) the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder). The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgement, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the scheduled Final Redemption Amount of the Note on the Maturity Date together with interest which may accrue in accordance with Condition 5.06.

Instalment Notes

6.14 Any Instalment Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

Other Redemption and Purchase Provisions

6.15 Notwithstanding the foregoing:

- (i) the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property and that amend and/or supplement Condition 10 shall be set forth in the applicable Final Terms; and
- (ii) any additional redemption events which shall enable the Issuer to redeem the Notes of any Series shall be set forth in the applicable Final Terms.

7. Credit Linked Redemption Notes

Provisions relating to the redemption of Credit Linked Redemption Notes will be set out in the applicable Final Terms.

8. Index Linked Notes

If the Notes are specified as Index Linked Interest Notes and/or Index Linked Redemption Amount Notes in the applicable Final Terms, then the provisions of this Condition 8 shall apply.

8.01 Redemption of Index Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each principal amount of the Index Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

8.02 Adjustments to an Index and Additional Disruption Events

- (i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the “**Successor Index Sponsor**”) acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the

Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

(ii) Modification and Cessation of Calculation of an Index

If (x) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or such other date as specified in the applicable Final Terms) the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”), or (y) on a Valuation Date, an Observation Date or an Averaging Date (or such other date as specified in the applicable Final Terms), the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the Notes and, if so, to calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date or such other date as specified in the applicable Final Terms, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) on giving notice to the Holders in accordance with Condition 24, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 24 stating the occurrence of an Index Adjustment Event and giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(iii) Additional Disruption Events

If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;

(B) give notice to the Holders in accordance with Condition 24 and redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or

(C) if the applicable Final Terms provide that “**Index Substitution**” is applicable, then on or after the Additional Disruption Event the Calculation Agent may select

one or more indices (each a “**Substitute Index**”) in accordance with the Index Substitution Criteria to substitute in place of the Indices (each an “**Affected Index**”) which are affected by such Additional Disruption Event and each Substitute Index will be deemed to be an “Index” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(iv) Correction to an Index

In the event that any price or level published by the relevant Index Sponsor or Successor Index Sponsor which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor or Successor Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

8.03 Definitions applicable to Index Linked Notes

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

“**Affiliate**” means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “**control**” means the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Level. If through operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;

- (ii) if 'Postponement' is specified in the applicable Final Terms, then for purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Notes; or
- (iii) if 'Modified Postponement' is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or
 - (B) where the Notes relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Valid Date in relation to such Affected Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index and (ii) the Calculation Agent shall determine the Reference Level of the Affected Index for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; and
 - (C) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"**Basket of Indices**" means a basket comprising two or more indices specified in the applicable Final Terms in the relevant Weightings as specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (Y) the Issuer will incur a

materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

“Disrupted Day” means (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

“Exchange” means, (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, in relation to each component security included in that Index (each a **“Component Security”**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day” means, (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

“Final Redemption Amount” means the Final Redemption Amount specified in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount equal to:

- (i) in the case of an Index Linked Note in respect of which Call Option is specified as applicable in the applicable Final Terms (**“Call Index Linked Redemption Note”**):

$$\frac{\text{Reference Level}}{\text{Initial Level}} \times \text{Specified Denomination}; \text{ or}$$

- (ii) in the case of an Index Linked Note in respect of which Put Option is specified as applicable in the applicable Final Terms (“**Put Index Linked Redemption Note**”):

$$\frac{\text{Initial Level}}{\text{Reference Level}} \times \text{Specified Denomination}$$

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 5.08.

“**Hedging Disruption**” means that the Hedging Entity 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 Index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Hedging Entity**” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Index in respect of the Issuer’s obligations under the Notes.

“**Increased Cost of Hedging**” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (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 the relevant securities or other risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

“**Index**” and “**Indices**” mean, subject to adjustment in accordance with Condition 8.02, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Index Sponsor**” means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

“**Index Substitution Criteria**” means the criteria specified as such in the applicable Final Terms.

“**Initial Level**” means, in respect of an Index, the level specified as such in the applicable Final Terms.

“**Least Performer**” means, with respect to an Exchange Business Day during the Observation Period, the Index in respect of which the following formula yields, in the determination of the Calculation Agent, the smallest positive number if the results of the formula below are positive for all indices comprised in the basket or, if not, the largest negative number, on such Exchange Business Day:

(Reference Level of the Index on the Exchange Business Day minus the Initial Level with respect to such Index) divided by the Initial Level with respect to such Index,

provided that if the above formula yields the same number with respect to two or more Indices the Calculation Agent shall determine the Least Performer.

“Market Disruption Event” means, in respect of an Index:

- (i) where the relevant Index is not specified in the applicable Final Terms as being a Multi-Exchange Index:
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (B) any event (other than an event described in ((b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange(s), or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

- (iii) where the relevant Index is specified in the applicable Final Terms as being a Multi-Exchange Index either:
- (a) the occurrence or existence, in respect of any Component Security, of:
 - (x) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (y) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (z) an Early Closure; and
 - (b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
 - (c) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption or (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure.

As used above:

“Early Closure” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event exists in respect of a Multi-Exchange Index exists at any time, if a Market Disruption Event occurs in respect of such Component Security included in the Index at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data" immediately before the occurrence of such Market Disruption Event.

"Multi-Exchange Index" means an Index identified or specified as such in the applicable Final Terms or, if not so identified or specified, any Index which the Calculation Agent determines to be a Multi-Exchange Index.

"Observation Date(s)" means each date specified as such in the applicable Final Terms, provided that if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Index, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 9.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) where the Notes relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an **"Affected Index"**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be that Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by using the level of the Index as

of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 9.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“Observation Period” means the period specified as such in the applicable Final Terms.

“Principal Protected” means an amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the Principal Protection does not apply if the Notes are redeemed early or sold by an Investor prior to the Maturity Date.

“Protection Amount” means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Final Terms, means that the Final Redemption Amount will, subject to the applicable Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the Calculation Amount. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of an Early Redemption for Taxation Reasons, an Index Adjustment Event, a Potential Adjustment Event, or an Event of Default.

“Reference Level” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as calculated and published by the Index Sponsor or Successor Index Sponsor on the relevant date (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 8; and
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor or Successor Index Sponsor on the relevant date, (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 8, multiplied by the relevant Weighting specified in the applicable Final Terms.

“Related Exchange” means, subject to the proviso below, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily

relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Final Terms, 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means:

- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of that 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.

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

"Valuation Date" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Index, 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 Scheduled Valuation Date is a Disrupted Day. In that case (A) the eighth Scheduled Trading Day for the Index shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as

defined in Condition 9.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) where the Notes relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 9.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“**Valuation Time**” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index 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; or
- (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange in respect of such Component Security and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after

the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“**Weighting**” means the weight to be applied to each of the Indices comprising the Basket of Indices, as specified in the applicable Final Terms.

9. Equity Linked Notes

If the Notes are specified as Equity Linked Interest Notes and/or Equity Linked Redemption Amount Notes in the applicable Final Terms, the provision of this Condition 9 shall apply.

9.01 Redemption of Equity Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each principal amount of Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms, by delivery of the Entitlement specified in, or determined in the manner specified in, the applicable Final Terms (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Entitlement on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

9.02 Potential Adjustment Events; De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency; Additional Disruption Events; and Adjustments for Equity Linked Notes in respect of Non-Euro Quoted Entities

- (i) If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so, the Issuer in its sole and absolute discretion shall either:
 - (A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these Conditions and/or the applicable Final Terms, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) and (2) determine the effective date of that adjustment; or
 - (B) after giving notice to the Holders in accordance with Condition 24, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a

“**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 9.02(i) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon making an adjustment pursuant to Condition 9.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24, stating the adjustment made to the terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event provided that any failure to give, or non-receipt of, such notice will not affect the validity of such adjustment.

- (ii) If (x) De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applicable in the applicable Final Terms and/or (y) Tender Offer is specified as applicable in the applicable Final Terms, and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Equity, the Issuer in its sole and absolute discretion may:
 - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
 - (B) where the Equity Linked Notes relate to a Basket of Equities on giving notice to the Holders in accordance with Condition 24 redeem each Note in part. If a Note is so redeemed in part the portion (the “**Partial Amount**”) of each such Note representing the affected Equity(s) shall be redeemed and the Issuer will (x) pay to each Holder in respect of each Note held by it an amount equal to the fair market value of the Partial Amount together with any accrued interest thereon, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each such Note after redemption and adjustment shall remain outstanding with full force and effect.

Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 24; or

- (C) after giving notice to the Holders in accordance with Condition 24, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (D) if the applicable Final Terms provide that **"Equity Substitution"** is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be), the Calculation Agent may select one or more equities (each a **"Substitute Equity"**) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an **"Affected Equity"**) which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and each Substitute Equity will be deemed to be an "Equity" and the relevant issuer of such equities, a "Equity Issuer" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 9.02(ii) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

- (iii) If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:
 - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (B) give notice to the Holders in accordance with Condition 24 and redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (C) if the applicable Final Terms provide that **"Equity Substitution"** is applicable, then on or after the relevant Additional Disruption Event, the Calculation Agent may select one or more equities (each a **"Substitute Equity"**) in accordance with the Equity Substitution

Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Additional Disruption Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equity, a “Equity Issuer” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

(iv) Non-Euro Quoted Equities

In respect of Equity Linked Redemption Notes relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the terms of these Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 9.02(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

(v) Correction of Prices or Levels of an Equity

In the event that any price or level of an Equity published by an Exchange which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the corrected price or level is deemed to be the relevant price or level for such Equity, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the relevant date.

Partial Lookthrough Depositary Receipt Provisions

9.03 Where the applicable Final Terms specify that the “Partial Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 9.03 shall apply, and, in relation to such Equity, the other provisions of this Condition 9 shall be deemed to be amended and modified as set out in this Condition 9.03.

The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

“Potential Adjustment Event” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, 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 such Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of the terms of these Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the Notes, 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 Equity), following the Potential Adjustment Event. The Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem all of the Notes upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

The definitions of “**Merger Event**” and “**Tender Offer**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Equity, then, where the Calculation Agent makes an adjustment to these Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of “**Nationalisation**”, “**Insolvency**” and “**De-listing**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Final

Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities therein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of “**Insolvency Filing**” shall be amended in accordance with the DR Amendment.

The definition of “**Change in Law**” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.03 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

Full Lookthrough Depositary Receipt Provisions

9.04 Where the applicable Final Terms specify that the “Full Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 9.04 shall apply, and, in relation to such Equity, the other provisions of this Condition 9 shall be deemed to be amended and modified as set out in this Condition 9.04.

The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent;

- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, 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 such Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event" has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of "Potential Adjustment Event" has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any terms of these Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of "Potential Adjustment Event", such economic effect on the Notes, 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 Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem all of the Notes upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

The definitions of “**Merger Event**” and “**Tender Offer**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Equity, then, where the Calculation Agent makes an adjustment to these Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of “**Nationalisation**”, “**Insolvency**” and “**De-listing**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early, and following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of any Additional Disruption Event specified as applicable in the relevant Final Terms shall be amended in accordance with the DR Amendment.

Each reference to the Exchange in the definitions of “**Exchange Business Day**”, “**Scheduled Closing Time**”, “**Scheduled Trading Day**”, “**Market Disruption Event**” and “**Disrupted Day**” shall be deemed to include a reference to the primary exchange on which the Underlying Equities are traded, as determined by the Calculation Agent.

The definitions of “**Market Disruption Event**” and “**Related Exchange**” shall be amended in accordance with the DR Amendment. For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.04 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

9.05 *Definitions applicable to Equity Linked Notes*

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

“**Affiliate**” means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “**control**” means the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Valid Date in relation to such Affected Equity. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original

date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity and (ii) the Calculation Agent shall determine the Reference Price of the Affected Equity for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of “Valuation Date” below; or

- (C) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Averaging Date for each Equity shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Equity for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of “Valuation Date” below; and
- (D) “**Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur, and “**Common Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day for any Equity comprised in the Basket of Equities and on which another Averaging Date does not or is deemed not to occur.

“**Basket of Equities**” means a basket composed of the Equities specified in the applicable Final Terms in the relative Weightings or numbers of Equities specified in the applicable Final Terms.

“**Change in Law**” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Equity or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

“**De-listing**” means, in respect of any relevant Equities, the Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or

Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) 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).

If the relevant Equities are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Equities.

“Deposit Agreement” means, in relation to the Equities, the agreements or other instruments constituting the Equities, as from time to time amended or supplemented in accordance with their terms.

“Depository” means, where the relevant Final Terms specifies that (a) the “Partial Lookthrough Depository Receipt Provisions” shall apply to the Equity, the Equity Issuer or any successor issuer of the Equities from time to time or (b) the “Full Lookthrough Depository Receipt Provisions” shall apply to an Equity or the Equity Issuer.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“DR Amendment” means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Final Terms and Market Disruption Event, that the following changes shall be made to such definition or provision where provided for in Condition 9: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.

“DR Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

“Equity” means the share(s) or other securities specified in the applicable Final Terms subject to adjustment in accordance with these Conditions.

“Equity Issuer” means, in respect of an Equity, the issuer of such Equity.

“Equity Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

“Exchange” means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

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

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

- (i) in the case of an Equity Linked Redemption Note in respect of which Call Option is specified as applicable in the applicable Final Terms (**“Call Equity Linked Redemption Note”**):

$$\frac{\text{Reference Price}}{\text{Initial Price}} \times \text{Specified Denomination}; \text{ or}$$

- (ii) in the case of an Equity Linked Redemption Note in respect of which Put Option is specified as applicable in the applicable Final Terms (**“Put Equity Linked Redemption Note”**):

$$\frac{\text{Reference Price}}{\text{Initial Price}} \times \text{Specified Denomination}$$

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 5.08.

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

“Hedging Entity” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Equity in respect of the Issuer’s obligations under the Notes.

“Increased Cost of Hedging” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

“Initial Price” means the price specified as such in the applicable Final Terms.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.

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

“Least Performer” means, with respect to an Exchange Business Day during the Observation Period, the Equity in respect of which the following formula yields, in the determination of the Calculation Agent, the smallest positive number or the largest negative number, on such Exchange Business Day:

(Reference Price of the Equity on the Exchange Business Day minus the Initial Price with respect to such Equity) divided by the Initial Price with respect to such Equity,

provided that if the above formula yields the same number with respect to two or more Equities the Calculation Agent shall determine the Least Performer.

“Market Disruption Event” means, in respect of an Equity:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) relating to the Equity on the Exchange; or
 - (y) in futures or options contracts relating to the Equity on any relevant Related Exchange; or
 - (B) any event (other than as described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange,
which in either case the Calculation Agent determines is material; or
- (ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (iii) any other event specified in the applicable Final Terms.

“Merger Date” means, the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a **“Reverse Merger”**), in each case if the Merger Date is (a) in the case of Cash Settled Notes, on or before the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Notes or, (b) if the Notes are to be redeemed by Physical Delivery, the Maturity Date.

“Nationalisation” means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Observation Date(s)” means each date specified as such in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Equity, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Equity shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Observation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Equity affected by the occurrence of a Disrupted Day (each an **“Affected Equity”**) shall be the first succeeding Scheduled Trading Day that is not a

Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day for such Equity shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

- (iii) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Observation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an “**Affected Equity**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

“**Observation Period**” means the period specified as such in the applicable Final Terms.

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Equities of (i) such Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities.

“Principal Protected” means an amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the Principal Protection does not apply if the Notes are redeemed early or sold by an Investor prior to the Maturity Date.

“Protection Amount” means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Final Terms, means that the Final Redemption Amount will, subject to the applicable Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the Calculation Amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of an Early Redemption for Taxation Reasons, any event specified in Condition 9.02 or an Event of Default.

“Reference Price” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes relate to a single Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 9. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith

estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 9, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where ‘All Exchanges’ is specified as the Related Exchange in the applicable Final Terms, ‘Related Exchange’ shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

“Replacement DRs” means depositary receipts other than the Equities over the same Underlying Equities.

“Scheduled Averaging Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“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.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten (10) per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Trade Date” means the date specified as such in the applicable Final Terms.

“Underlying Equity” means the share(s) or other securities which are the subject of the Deposit Agreement.

“Underlying Equity Issuer” means the issuer of the Underlying Equities.

“Valuation Date” means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Equity, 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 Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading Day for the Equity shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity affected by the occurrence of a Disrupted Day (each an **“Affected Equity”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (A) the eighth Scheduled Trading Day for the Affected Equity shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or
- (iii) where the Notes relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Valuation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an **“Affected Equity”**)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Equity 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.

“Weighting” means the weight to be applied to each of the Equities comprising the Basket of Equities, as specified in the applicable Final Terms.

10. Physical Delivery

If Physical Delivery is specified as applicable in the applicable Final Terms, the provisions of this Condition 10 shall apply, as modified by the applicable Final Terms. Conditions 10.01 and 10.02 shall not apply to Swiss Notes in the form of Intermediated Securities.

10.01 In order to obtain delivery of the Entitlement in respect of such Note:

- (A) if such Note is represented by a Global Note, the relevant Holder must deliver or have delivered to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer, Issuing and Paying Agent and Delivery Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below); and
- (B) if such Note is a Definitive Note, the relevant Holder must deliver to any Paying Agent, with a copy to the Issuing and Paying Agent, the Issuer and Delivery Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice.

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

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

If such Note is a Definitive Note, it must be delivered together with the duly completed Asset Transfer Notice.

10.02 An Asset Transfer Notice must:

- (A) specify the name and address of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;
- (B) in the case of Notes represented by a Global Note, specify the principal amount of Notes which are the subject of such notice and the number of the Holder’s account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder’s account with such Notes on or before the Delivery Date (as defined below);
- (C) include an undertaking to pay all Expenses (as defined below) and, in the case of Notes represented by a Global Note, an authority to debit a specified

account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

- (D) specify an account to which dividends (if any) or any other cash amounts payable by the Issuer are to be paid, including without limitation, any cash amount constituting the Entitlement or any dividends relating to the Entitlement;
- (E) certify that the beneficial owner of each Security is not a “U.S. Person” as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, which term is deemed to include any person that does not meet the definition of “Non-United States Person” in Rule 4.7 promulgated by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act, as amended (the “**CEA**”) (“**U.S. Person**”), the Security is not being redeemed within the United States or on behalf of a U.S. Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. Person in connection with any redemption thereof; and
- (F) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream, Luxembourg or a Paying Agent, as the case may be, as provided above. After delivery of Asset Transfer Notice, the relevant Holder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified principal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and Issuing and Paying Agent and shall be conclusive and binding on the Issuer and the relevant Holder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer and Issuing and Paying Agent, and shall be conclusive and binding on the Issuer and the relevant Holder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, in each case in consultation with the Issuing and Paying Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear, Clearstream, Luxembourg or the relevant Paying Agent, as applicable, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Issuing and Paying Agent and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents, Euroclear, Clearstream, Luxembourg or the Issuing and Paying Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

Delivery of the Entitlement in respect of each Note shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer and Issuing and Paying Agent, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Final Terms.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer and Issuing and Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided above; provided that, if in respect of a Note, an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuing and Paying Agent and the Issuer by the close of business in each place of receipt on the 180th calendar day following the Cut-Off Date, the Issuer’s obligations in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

Delivery of the Entitlement – Intermediated Securities

10.02a Delivery of the Entitlement in respect of Swiss Notes in the form of Intermediated Securities will be made to the Holders on the due date for such delivery, subject to Condition 2.04 and in accordance with the rules and procedures applied by SIX SIS from time to time.

Delivery of the Entitlement – Swiss Definitive Notes

10.02b Delivery of the Entitlement in respect of Swiss Notes in definitive bearer form or definitive registered form will be made in accordance with the provisions of 10.01 and 10.02 relating to Definitive Notes which shall be read as if all references therein to “Paying Agent” or “Issuing and Paying Agent” are to the “Swiss Programme and Paying Agent”.

Delivery of Entitlement – General Provisions

10.03 All Expenses arising from the delivery of the Entitlement in respect of such Notes shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

After delivery of the Entitlement and for such period of time after the Delivery Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent, Issuing and Paying Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to the relevant Holder in respect of any loss or damage which such

Holder may sustain or suffer as a result, whether directly or indirectly, of that person being during such Intervening Period the legal owner of such securities or obligations.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered the Holder will receive an amount in the Specified Currency ("**Cash Adjustment**") which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate) or otherwise in the manner specified in the applicable Final Terms. Payment will be made to the account specified by the Holder in the Asset Transfer Notice referred to in Condition 10.02 or otherwise in such manner as shall be notified to the Holders in accordance with Condition 24.

For the purposes of the Notes, where the Entitlement comprises an Equity or a Fund Share of an ETF (i) the Issuer shall be under no obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members or shareholders register of any Equity Issuer or ETF, and (ii) any interest, dividend or other distribution in respect of any Entitlement will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Equity or Fund Share executed on the Delivery Date and to be delivered in the same manner as the Entitlement. Any such interest, dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Asset Transfer Notice.

10.04 Settlement Disruption Event

If, prior to the delivery of the Entitlement in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event and notice thereof shall be given to the relevant Holder, in accordance with Condition 24. Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Entitlement pursuant to this Condition.

Where delivery of the Entitlement has been postponed as provided in this Condition the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election substantially in the form set out in the Issue and Paying Agency Agreement (the "**Election Notice**") is given to the Holders in accordance with Condition 24. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 24.

10.05 If "**Failure to Deliver due to Illiquidity**" is specified as applicable in the Final Terms and if, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when

due, some or all of the Relevant Assets comprising the Entitlement (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (A) subject as provided elsewhere in these Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 10; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Condition 24. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 24. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Holders in accordance with Condition 24 that the provisions of this Condition 10.05 apply.

Option to Vary Settlement

10.06 If the applicable Final Terms indicate that the Issuer has the option to vary settlement in respect of the Notes, the Issuer may in its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 24.

Definitions

10.07 For the purposes of this Condition 10:

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

“**Cut-Off Date**” has the meaning given to it in the applicable Final Terms.

“**Disruption Cash Settlement Price**” means, in respect of each principal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note and paid pursuant to Conditions 5 and 19) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Hedging Entity of unwinding or adjusting any related hedging arrangements in respect of the Note, all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Entitlement**” means the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which the Holder is entitled to receive on the Maturity Date following payment of the Expenses, as determined by the Calculation Agent, including any documents evidencing such Entitlement as set out in the applicable Final Terms.

“**Expenses**” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Entitlement.

“Failure to Deliver Settlement Price” means, in respect of each principal amount of the Notes equal to the Calculation Agent, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Hedging Entity of unwinding or adjusting any related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

“Relevant Assets” means the assets specified as such in the applicable Final Terms.

“Settlement Business Day” has the meaning ascribed to it in the applicable Final Terms.

“Settlement Disruption Event” means an event beyond the control of the Issuer (including but not limited to non-delivery of the Entitlement by a counterparty to an agreement entered into by the Hedging Entity to hedge the Notes) as a result of which, in the opinion of the Calculation Agent, delivery of the Entitlement by or on behalf of the Issuer in accordance with these Conditions and/or the applicable Final Terms is not practicable.

11. Fund Linked Notes

11.01 If the Notes are specified as Fund Linked Notes in the applicable Final Terms, the provisions of Condition 12 shall apply if the Funds are not ETFs (as defined in Condition 13.09) and the provisions of Condition 13 shall apply if the Funds are ETFs.

12. Provisions relating to Funds other than Exchange Traded Funds

Redemption of Fund Linked Redemption Notes

12.01 Unless previously redeemed or purchased and cancelled, each principal amount of the Fund Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

Consequences of Fund Events

12.02 **“Fund Event”** means the occurrence of each of a Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

- (i) **“Additional Fund Disruption Event”** means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

“Change in Law” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Entity determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Interests, or (y) the Issuer will incur a materially increased cost in performing its obligations under the Fund Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Fund Hedging Disruption” means that the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or

dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (x) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

"Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any 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 and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

(ii) **"Fund Disruption Event"** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines that such event is material:

(a) Fund Valuation Disruption: **"Fund Valuation Disruption"** means (x) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (y) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;

(b) Fund Settlement Disruption: **"Fund Settlement Disruption"** means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

(c) **"Fund Extraordinary Event"** means each of the following events:

(A) Nationalisation: **"Nationalisation"** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

- (B) Insolvency: “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;
- (C) Fund Insolvency Event: “**Fund Insolvency Event**” means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

- (D) NAV Trigger Event: “**NAV Trigger Event**” means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than the NAV Trigger since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (E) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (F) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (G) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (H) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any

activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

- (I) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be or any other Reporting Disruption Period specified in the applicable Final Terms; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;
- (J) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (K) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (L) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

12.03 Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Final Terms as it determines in its sole and absolute discretion appropriate to account for the Fund Event, which may include, without limitation:
 - (a) delaying any calculation, determination or related payment date under the Notes until it determines that no Fund Event exists;
 - (b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the “**Affected Fund Interest**”) with one or more replacement fund interests (each a “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Holders in accordance with Condition 24, redeem all (but not some only) of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 24 giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

Fund Potential Adjustment Events

12.04 “**Fund Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund

Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

- (v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

12.05 Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 24, stating the adjustment to any of the terms of the Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

12.06 Definitions (Funds other than Exchange Traded Funds)

“**Affiliate**” means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “**control**” means the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Averaging Date**” means, in respect of an Actual Exercise Date or Redemption Date, as the case may be, each date specified as an Averaging Date in the applicable Final Terms.

“**Basket of Funds**” means a basket composed of the Funds specified in the applicable Final Terms in the relative Weightings of Funds or numbers of Funds specified in the applicable Final Terms.

“**Fund**” means, subject to adjustment in accordance with these Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Fund Administrator**” means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

“**Fund Adviser**” means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

“**Fund Documents**” means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

“Fund Interest” means, subject to adjustment in accordance with these Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

“Fund Redemption Valuation Date” means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Fund Service Provider” means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

“Fund Valuation Date” means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

“Hedging Entity” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Fund Interest in respect of the Issuer’s obligations under the Notes.

“Hypothetical Investor” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

“Initial Price” means the price specified as such in the applicable Final Terms.

“NAV Trigger” means the percentage specified as such in the applicable Final Terms.

“Removal Date” means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

“Removal Value” means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive on the redemption or realisation of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value shall include the amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

“Reporting Disruption Period” means the period specified as such in the applicable Final Terms.

“Scheduled Fund Redemption Valuation Date” means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Scheduled Fund Valuation Date” means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

“Valuation Date” means each Valuation Date specified in the applicable Final Terms.

“Valuation Time” means the time specified in the applicable Final Terms.

“Weighting” means the weight to be applied to each of the Funds comprising the Basket of Funds, as specified in the applicable Final Terms.

13. Provisions relating to Exchange Traded Funds

Market Disruption

13.01 Redemption of ETF Linked Notes

Unless previously redeemed or purchased and cancelled, each principal amount of ETF Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms, by delivery of the Entitlement specified in, or determined in the manner specified in, the applicable Final Terms (subject as provided below) on the Maturity Date or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Entitlement on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

13.02 “Market Disruption Event” means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the relevant Fund Share on such Exchange; or

- (B) relating to securities that comprise 20 percent. or more of the level of the relevant Underlying Index or any relevant successor index; or
 - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or
- (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 percent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange 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 Valuation Time on such Exchange Business Day.

13.03 For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security to the level of the relevant Underlying Index shall be based on a comparison of (i) the portion of the level of the relevant Underlying Index attributable to that security, and (ii) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

Potential Adjustment Event

13.04 “Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) such Fund Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such

Fund Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation 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 Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Condition 24 stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

De-listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer

13.05 “De-listing” means, in respect of any relevant Fund Share, the Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) 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).

If the relevant Fund Shares are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Fund Shares.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (i) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

“Material Underlying Event” means any of the following:

- (i) the investment objectives and/or policies in respect of the ETF are materially changed;
- (ii) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Hedging Entity in connection with hedging arrangements relating to the Notes are materially reduced or otherwise adversely affected; and/or
- (iv) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Notes or to the Hedging Entity in connection with any hedging arrangements relating to the Notes,

as determined by the Calculation Agent.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a **“Reverse Merger”**), in each case if the Merger

Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

“Nationalisation” means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding shares, units or interests of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which shares, units or interests in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

13.06 If a De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange; or
- (ii) redeem all (but not some only) of the Notes by giving notice to Holders in accordance with Condition 24, each principal amount of such Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24 stating the occurrence of the Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

13.07 Correction of the Reference Price

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Fund Share would customarily settle according to the rules of such

Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, or the Specified Interest Payment Date, as the case may be, to make such adjustment prior to such relevant date.

Additional Disruption Events

13.08 (a) “**Additional Disruption Event**” means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

“**Change in Law**” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Fund Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or the Hedging Entity).

“**Hedging Disruption**” means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Hedging Entity**” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Fund Shares in respect of the Issuer’s obligations under the Notes.

“**Increased Cost of Hedging**” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) 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 and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

“**Insolvency Filing**” means that the ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions

presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem all (but not some only) of the Notes by giving notice to the Holders in accordance with Condition 24, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 24, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

13.09 Definitions (Exchange Traded Funds)

“**Affiliate**” means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “**control**” means the ownership of a majority of the shares, units or interests of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Fund Share, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that,

but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or

(B) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that "Common Disrupted Days" is not applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Fund Share affected by the occurrence of a Disrupted Day (each an "**Affected Fund Share**") shall be the first succeeding Valid Date in relation to such Affected Fund Share. If the first succeeding Valid Date in relation to such Affected Fund Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Fund Share and (ii) the Calculation Agent shall determine the Reference Price of the Affected Fund Share for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; or

(C) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that "Common Disrupted Days" is applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Fund Share for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of "Valuation Date" below; and

(D) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur, and "**Common Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day for any Fund Share comprised in the Basket of

Fund Shares and on which another Averaging Date does not or is deemed not to occur.

“Basket of Fund Shares” means a basket composed of the Fund Shares specified in the applicable Final Terms in the relative Weightings or numbers of Fund Shares specified in the applicable Final Terms.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“ETF” means any Fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any Fund which the Calculation Agent determines to be an exchange traded fund.

“Exchange” means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

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

“Fund Share” means a share of each ETF, and references to “holder of Fund Shares” and “Fund Shareholder” shall be construed accordingly.

“Hedging Entity” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to a Fund Share in respect of the Issuer’s obligations under the Notes.

“Initial Price” means the price specified as such in the applicable Final Terms.

“Observation Date(s)” means each date specified as such in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Fund Share, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Observation Date for each Fund Share not affected by the occurrence of a

Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an “**Affected Fund Share**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

- (iii) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Observation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an “**Affected Fund Share**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

“**Observation Period**” means the period specified as such in the applicable Final Terms.

“**Reference Price**” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes relate to a single Fund Share, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 13. The amount determined pursuant to the foregoing shall be

converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

- (ii) where the Notes relate to a Basket of Fund Shares, an amount equal to the sum of the values calculated for each Fund Share as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 13, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, “Related Exchange” shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

“Scheduled Averaging Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Trade Date” means the date specified as such in the applicable Final Terms.

“Underlying Index” means the underlying index specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Notes relate to a single Fund Share, 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 Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that "Common Disrupted Days" is not applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an **“Affected Fund Share”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (A) the eighth Scheduled Trading Day for the Affected Fund Share shall be deemed to be the Valuation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable, determine the Reference Price using, in relation to the Affected Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or
- (iii) where the Notes relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Valuation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an **“Affected Fund Share”**)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund 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.

“Weighting” means the weight to be applied to each of the Fund Shares comprising the Basket of Fund Shares, as specified in the applicable Final Terms.

14. Commodity Linked Notes

If the Notes are specified as Commodity Linked Interest Notes and/or Commodity Linked Redemption Notes in the applicable Final Terms, then the provisions of this Condition 14 shall apply.

14.01 *Redemption of Commodity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of Commodity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

14.02 *Market Disruption Event and Disruption Fallback*

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on the Pricing Date (or, if different, the day on which the price for the Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price (or method for determining the Relevant Price) for the Pricing Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price:

(a) Market Disruption Event

“Market Disruption Event” means the occurrence of any of the following events:

- (i) with respect to all Commodities:
 - (A) Price Source Disruption;
 - (B) Commodity Trading Disruption;
 - (C) Disappearance of Commodity Reference Price; and
 - (D) any additional Market Disruption Events specified in the applicable Final Terms; and
- (ii) with respect to all Commodities other than gold, silver or platinum:
 - (A) Material Change in Formula;
 - (B) Material Change in Content; and

(C) any additional Market Disruption Events specified in the applicable Final Terms; and

(iii) with respect to a Commodity Index:

(A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such failure shall not be a Market Disruption Event and (i) shall fall within paragraph (i) of the proviso to the definition of Price Source in Condition 14.07, or (ii) shall be an Index Adjustment Event in respect of such Commodity Index) or (y) the closing price for any futures contract included in the Commodity Index;

(B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or

(C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(iv) Disruption Fallback

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the Notes. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall mean:

(A) with respect to a relevant Commodity (in the following order):

I Fallback Reference Price (if applicable);

II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and

III. Calculation Agent Determination;

(B) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price:

(a) using:

- (i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and
- (ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract; or

(b) as specified in the applicable Final Terms.

Subject as provided below, the Calculation Agent shall determine the Relevant Price by reference to the closing prices determined in (a)(i) and (a)(ii) above or as provided in (b) above using the then current method for calculating the Commodity Reference Price.

Where a Market Disruption Event with respect to one or more futures contracts included in the Commodity Index has occurred on an applicable determination date and continues to exist as of the relevant Commodity Index Cut-Off Date for such applicable determination date, the Calculation Agent shall determine the Relevant Price on such Commodity Index Cut-Off Date. In calculating the Relevant Price as set out herein, the Calculation Agent shall use the formula for calculating the Commodity Reference Price last in effect prior to the Market Disruption Event.

14.03 Adjustments to a Commodity Index

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

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

(b) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index

Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 14.07, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

14.04 Correction to Published Prices

For purposes of determining or calculating the Relevant Price, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement (or, if earlier, the day falling two Commodity Business Days preceding the date on which payment of any amount or delivery of any amount of assets to be calculated by reference to such Relevant Price), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

14.05 Common Pricing

If with respect to Commodity Linked Notes relating to a Basket of Commodities, “Common Pricing” is specified in the applicable Final Terms as:

- (i) “Applicable” then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Securities; or
- (ii) “Not Applicable” then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an “**Affected Commodity**”), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

All determinations made by the Calculation Agent pursuant to this condition will be conclusive and binding on the Holders and the Issuer, except in the case of manifest error.

14.06 Commodity Reference Prices

Subject to this Condition 14, for purposes of determining the Relevant Price for a Commodity or Commodity Index:

Agricultural products:

(a) Cocoa

“**COCOA-NYBOT**” means that the price for a Pricing Date will be that day's settlement price per metric ton of deliverable grade cocoa beans on NYBOT of the First Nearby Month Cocoa Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Cocoa Futures Contract stated in U.S. Dollars, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(b) Coffee

“**COFFEE ARABICA-NYBOT**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade washed arabica coffee on NYBOT of the First Nearby Month Coffee Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Coffee Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(c) Corn

“**CORN NO. 2 YELLOW-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade corn on CBOT of the First Nearby Month Corn Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Corn Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(d) Cotton

“**COTTON NO. 2-NYBOT**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade cotton No. 2 on NYBOT of the First Nearby Month Cotton Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Cotton Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(e) Livestock

(i) “**LEAN HOGS-CME**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade lean value hog carcasses on CME of the First Nearby Month Lean Hogs Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Lean Hogs Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(ii) “**LIVE CATTLE-CME**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade live steers on CME of the First Nearby Month Live Cattle Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Live Cattle Futures Contract,

stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(f) Soybeans

“**SOYBEANS-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade soybeans on CBOT of the First Nearby Month Soybeans Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Soybeans Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(g) Sugar

“**SUGAR # 11 (WORLD)-NYBOT**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade cane sugar on NYBOT of the First Nearby Month Sugar Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Sugar Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(h) Wheat

“**WHEAT-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade wheat on CBOT of the First Nearby Month Wheat Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Wheat Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

Oil and Energy

(a) Natural Gas (Henry Hub)

“**NATURAL GAS-HENRY HUB-NYMEX**” means that the price for a Pricing Date will be that day's settlement price per MMBTU of deliverable grade natural gas on NYMEX of the First Nearby Month Henry Hub Natural Gas Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(b) Oil (WTI)

“**OIL-WTI-NYMEX**” means that the price for a Pricing Date will be that day's settlement price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(c) Oil (Brent)

“**OIL-BRENT-IPE**” means that the price for a Pricing Date will be that day's settlement price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

Precious Metals:

(d) Gold

“**GOLD-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

(e) Platinum

“**PLATINUM-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

(f) Silver

“**SILVER-FIX**” means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

Base Metals

(a) Aluminium

“**ALUMINIUM-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(b) Copper

“**COPPER-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(c) Lead

“**LEAD-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(d) Nickel

“**NICKEL-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(e) **Zinc**

“**ZINC-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

14.07 Definitions

“**Basket of Commodities**” means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Final Terms.

“**Bloomberg Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Calculation Agent Determination**” means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**CBOT**” means the Chicago Board of Trade or its successor.

“**CME**” means the Chicago Mercantile Exchange or its successor.

“**COMEX**” means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“**Commodity**” and “**Commodities**” means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked Notes relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked Notes relating to a single commodity, the commodity, in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Commodity Business Day**” means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

“**Commodity Index**” means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Final Terms.

“**Commodity Index Cut-Off Date**” means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Final Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Final Terms).

“**Commodity Reference Price**” means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Final Terms and (ii) in respect of a Commodity

Index, the Commodity Reference Price specified in the applicable Final Terms or, if not so specified, the official closing price or level of such Commodity Index.

“Commodity Trading Disruption” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

“Delayed Publication or Announcement” means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

“Delivery Date” means the date specified in the applicable Final Terms.

“Disappearance of Commodity Reference Price” means:

- (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;
- (ii) the disappearance of, or of trading in, the Commodity; or
- (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

“Exchange” means, in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

“Fallback Reference Price” means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

“First Notice Date” means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

“Futures Contract” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

“Gold” means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“ICE” means the Intercontinental Exchange or its successor.

“Index Sponsor” means, in relation to a Commodity Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index and (b) announces (directly or through an agent) the price or level of such Index on a regular basis, which as of the Issue Date is the index sponsor specified for such Commodity Index in the applicable Final Terms.

“LBMA” means The London Bullion Market Association or its successor.

“LME” means The London Metal Exchange Limited or its successor.

“London Gold Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

“London Silver Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

“LPPM” means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

“Material Change in Content” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

“Material Change in Formula” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

“MMBTU”, “MMBtu” and “mmbtu” each means one million British thermal units.

“Nearby Month” when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

“NYBOT” means the New York Board of Trade or its successor.

“NYMEX” means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Platinum” means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Postponement” means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback below will apply.

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index.

“Price Source Disruption” means:

- (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or
- (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

- (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“Pricing Date” has the meaning given it in the applicable Final Terms.

“Relevant Price” means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Conditions and the applicable Final Terms.

“Reuters” means Reuters or its successor.

“Reuters Screen” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Silver**” means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

15. Currency Linked Notes

If the Notes are specified as Currency Linked Interest Notes and/or Currency Linked Redemption Notes in the applicable Final Terms, then the provisions of this Condition 15 shall apply.

15.01 Definitions applicable to Currency Linked Notes

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms.

“**Currency Price**” means the Currency Price specified in the applicable Final Terms, or if not so specified in the applicable Final Terms:

- (i) in the case of Currency Linked Notes relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

“**FX Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Final Terms.

“FX Disrupted Day” means any FX Business Day on which a FX Market Disruption Event occurs.

“FX Market Disruption Event” means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Final Terms, and/or any other event specified as applicable in the applicable Final Terms.

“FX Price Source(s)” means, in respect of a Subject Currency, the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“FX Price Source Disruption” means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

“FX Trading Suspension or Limitation” means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

“Inconvertibility Event” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and
- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

“Interbank Market” means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

“Observation Period” means the period specified as such in the applicable Final Terms.

“Specified Financial Centre(s)” means the financial centre(s) specified in the applicable Final Terms.

“Scheduled Valuation Date” means any original date, that but for the occurrence of an event causing an FX Disrupted Day, would have been a Valuation Date.

“Valuation Cut-Off Date” means the Valuation Cut-Off Date specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or, if that is not FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

- (i) where the Currency Linked Notes relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (ii) where the Currency Linked Notes relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an **“Affected Subject Currency”**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Subject Currency, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms.

“Weighting” means the weight of each of the Subject Currencies comprising the Basket of Subject Currencies as specified in the applicable Final Terms.

16. Preference Share Linked Notes

If the Notes are specified as Preference Share Linked Notes in the applicable Final Terms, then the provisions of this Condition 16 shall apply.

16.01 *Redemption of Preference Share Linked Notes*

Unless previously redeemed or purchased and cancelled, each Preference Share Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date.

16.02 *Early Redemption for Taxation Reasons*

If the Preference Share Linked Notes are redeemed pursuant to Condition 6.02, each Preference Share Linked Note shall be redeemed by payment of the Early Redemption Amount.

16.03 *Call Option*

If Call Option is specified in the applicable Final Terms as being applicable, the provisions of Condition 6.03 shall apply to the Preference Share Linked Notes as if the words “redeem all or some only” in the fourth and fifth lines were replaced with the words “redeem all (but not some only)”.

16.04 *Early Redemption of Preference Share Linked Notes*

Upon the occurrence of a Preference Share Early Redemption Event, the Issuer may give notice to the Holders in accordance with Condition 24 and will redeem all (but not some only) of the Preference Share Linked Notes on the tenth Business Day immediately preceding the date on which the Preference Shares are to be redeemed (as specified in the Early Redemption Notice), each Preference Share Linked Note to be redeemed by payment of the Early Redemption Amount.

16.05 *Extraordinary Events*

If in the determination of the Calculation Agent an Extraordinary Event occurs, the Issuer may (but is not obliged to) redeem all (but not some only) of the Preference Share Linked Notes (giving notice to the Holders in accordance with Condition 24), each Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

16.06 *Additional Disruption Events*

If the Calculation Agent determines, in its sole and absolute discretion that an Additional Disruption Event occurs, the Issuer may (but is not obliged to) redeem all (but not some only) of the Preference Share Linked Notes (giving notice to Holders in accordance with Condition 24), such Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

16.07 *Cancellation of Redeemed and Purchased Preference Share Linked Notes*

The provisions of Condition 6.10 shall apply to the Preference Share Linked Notes as if the words “by the Issuer” were inserted between the words “purchased” and “in accordance” in the third line thereof.

16.08 Definitions applicable to Preference Share Linked Notes

“Additional Disruption Event” means any of Change in Law, Hedging Disruption and/or Insolvency Filing, in each case if specified in the applicable Final Terms.

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any Preference Share or (B) it will incur a materially increased cost in performing its obligations in relation to the Preference Share Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

“Early Redemption Amount” means, in respect of a Preference Share Linked Note, an amount in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount, as set out in the applicable Final Terms except that the definition of Preference Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date.

“Early Redemption Notice” means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

“Early Redemption Valuation Date” means the third Business Day immediately preceding the date for early redemption of the Preference Share Linked Notes.

“Extraordinary Event” means a Merger Event, a Nationalisation, a Tender Offer and/or an Insolvency or such other event specified as such in the applicable Final Terms.

“Final Valuation Date” means the date specified as such in the applicable Final Terms or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

“Hedging Disruption” means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Preference Share Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Entity” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Preference Shares in respect of the Issuer’s obligations under the Notes.

“Initial Valuation Date” means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms

and conditions of the Preference Shares by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

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

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

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means any (A) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date.

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

“Preference Share Early Redemption Event” means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

“Preference Share Issuer” means RBC GELP (UK) Limited.

"Preference Shares" means the preference shares of the Preference Share Issuer specified in the applicable Final Terms.

"Preference Share Value" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent.

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

"Valuation Time" has the meaning given to it in the applicable Final Terms or if not set out in the applicable Final Terms, 3 p.m. (London time).

16.09 Calculations and Determinations

The Calculation Agent will make the calculations and determinations as described in this Condition 16 in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements in respect of the Notes).

Notwithstanding that certain calculations, determinations and adjustments in this Condition 16 may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Pursuant to this Condition 16 the Calculation Agent has a number of discretions. These are necessary since in certain circumstances it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent may exercise certain discretions.

The provisions of the second paragraph of Condition 5.08 will not apply to the calculation of the Final Redemption Amount or Early Redemption Amount.

16.10 Further Issues

Condition 25 shall not apply to the Preference Share Linked Notes.

16.11 Payments – General Provisions

Condition 19.18 shall not apply to the Preference Share Linked Notes.

17. Events of Default

17.01 The following events or circumstances (each an **"Event of Default"**) shall be acceleration events in relation to the Notes of any Series, namely:

- (i) the Issuer fails to pay any Outstanding Principal Amount or deliver any Entitlement in respect of the Notes of the relevant Series or any of them on the due date for payment or delivery thereof or fails to pay any amount of

interest in respect of the Notes of the relevant Series or any of them within 30 days of the due date of payment thereof; or

- (ii) if the Issuer shall have become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself,

provided however, that in the case of Subordinated Notes, notwithstanding any provision hereof to the contrary, the Outstanding Principal Amount of a Subordinated Note will not be paid and may not be required to be paid at any time prior to the relevant Maturity Date except in the event of the insolvency or winding-up of the Issuer.

17.02 If any Event of Default shall occur in relation to any Series of Notes, any Holder of a Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Issuing and Paying Agent, declare that such Note and (unless the Note is a Zero Coupon Note) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Outstanding Principal Amount or, if such Note is a Zero Coupon Note, its Amortised Face Amount (as defined in Condition 6.12) or such other Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

18. Taxation

18.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes, Receipts or Coupons will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied (i) by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of Notes issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to the FATCA Withholding Tax Rules, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to the FATCA Withholding Tax Rules). In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the respective amounts of principal, interest or other amounts which would have been received in respect of the Notes, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or

the country in which such branch is located otherwise than the mere holding of such Note, Receipt or Coupon; or

- (ii) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
- (vi) where such withholding or deduction is required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or the FATCA Withholding Tax Rules.

18.02 For the purposes of these Conditions:

"Relevant Date" means, in respect of any Note, Receipt or Coupon, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 24.

"FATCA" means Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended (including the United States Treasury regulations and other guidance issued and any agreements entered into thereunder).

"FATCA Withholding Tax Rules" means as (i) any tax imposed under FATCA and (ii) any tax imposed by any jurisdiction pursuant to an intergovernmental agreement to improve tax compliance and to implement FATCA entered into between any relevant authorities on behalf of the United States and such jurisdiction.

18.03 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 6.02 and Condition 18.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

18.04 Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the Notes, Receipts or Coupons shall be deemed to include (a) any additional amounts which may be payable under this Condition 18 and (b) the delivery of an

Entitlement. Unless the context otherwise requires, any reference in these Conditions to “**principal**” shall include any premium payable in respect of a Note, any Instalment Amount, Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions, any Disruption Cash Settlement Price and any Failure to Deliver Settlement Price and “**interest**” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Conditions.

19. Payments

Payments – Bearer Notes

19.01 Conditions 19.01 to 19.07 are applicable in relation to Notes in bearer form.

19.02 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final Instalment Amount) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

19.03 Payment of amounts in respect of interest on Bearer Notes will be made:

- (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside (unless Condition 19.04 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
- (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside (unless Condition 19.04 applies) the United States; and
- (iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 19.04 applies) the United States.

19.04 Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for Coupon sheets in accordance with Condition 19.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (i) payment in full of amounts due in respect of

interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

19.05 Unless otherwise specified in the applicable Final Terms, if the due date for payment of any amount due in respect of any Bearer Note is not a Payment Date (as defined in Condition 19.15), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.09.

19.06 Each Definitive Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) unless otherwise specified in the applicable Final Terms, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Definitive Notes that are Fixed Rate Notes or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 20);
- (ii) unless otherwise specified in the applicable Final Terms, all unmatured Coupons relating to such Definitive Notes that are Floating Rate Notes or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 19.06 notwithstanding, if any Definitive Notes should be issued with a Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

19.07 In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 19.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 20 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

Payments – Registered Notes

19.08 Conditions 19.09 to 19.11 are applicable in relation to Registered Notes. For the avoidance of doubt Conditions 19.09 to 19.11 shall not apply in relation to Swiss Notes in the form of Intermediated Securities.

19.09 Payment of the Final Redemption Amount (together with accrued interest) due in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Final Redemption Amount, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the Final Redemption Amount of any Registered Note is not a Payment Date (as defined in Condition 19.15), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date, and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.12.

19.10 Payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.07) before the due date for such payment (the “**Record Date**”).

19.11 Notwithstanding the provisions of Condition 19.13, payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of Joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.07) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Payment Date, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Payment Date and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.12.

Payments – Swedish Notes

19.11a Payments in respect of Swedish Notes will be made on the due date for payments to the persons registered as Holders in the Swedish Notes Register on the fifth (5) Banking Day (or in accordance with the rules and procedures applied by Euroclear Sweden from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of Swedish Notes is not a Payment Date, the holder thereof shall not be entitled to payment until the next following Payment Date and shall not be entitled to interest or other payment in respect of such delay.

Payments – Swiss Notes

19.11b Payments in respect of Swiss Notes in the form of Intermediated Securities will be made to the Holders on the due date for such payment, subject to Condition 2.04 and in accordance with the rules and procedures applied by SIX SIS from time to time.

Payments – Swiss Definitive Notes

19.11c Payments in respect of Swiss Notes in definitive bearer form will be made in accordance with Conditions 19.01 to 19.07 with all references to “Paying Agents” being read as references to the “Swiss Programme and Paying Agent”.

Payments in respect of Swiss Notes in definitive registered form will be made in accordance with Condition 19.09, 19.10(ii) and 19.11 with all references to “Registrar”, “Euroclear and Clearstream, Luxembourg” and “register” being read as references to the “Swiss Programme and Paying Agent”, “SIX SIS” and the “Swiss Register” respectively.

Payments – General Provisions

19.12 Save as otherwise specified in these Conditions, Conditions 19.13 to 19.16 are applicable in relation to Bearer Notes, Registered Notes and Swedish Notes.

19.13 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes (other than Swedish Notes) will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Notes, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Notes be made by a cheque mailed to an address in the United States.

Payments of amounts due (whether principal, interest or otherwise) in respect of Swedish Notes will be made in accordance with Condition 19.11a in the currency in which such amount is due by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee.

Payments will, without prejudice to the provisions of Condition 18, be subject in all cases to any applicable fiscal or other laws and regulations.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 18 on account of such withholding.

19.14 If the determination of any amount (whether in respect of principal, interest or otherwise) due in respect of the Notes on an Interest Payment Date, Instalment Date, early redemption date or the Maturity Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Reference Item(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided herein or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary herein or in the applicable Final Terms, such Interest Payment Date, Instalment Date, early redemption date or the Maturity Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Notes in respect of such delay.

19.15 For the purposes of these Conditions (other than with respect to payments to be made on Swedish Notes) "**Payment Date**" means:

- (i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in (A) in the case of Notes in definitive form only, the place of presentation of the relevant Note or, as the case may be, Coupon and (B) each Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the principal financial of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (B) in the case of payment in euro, a day which is a TARGET Business Day.

19.15a In relation to payments to be made on Swedish Notes, for the purposes of these Conditions, “**Payment Date**” means 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 Stockholm.

19.16 No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

19.17 Unless specified otherwise in the applicable Final Terms, if the Issuer is due to make a payment in a currency (the “**original currency**”) other than euro in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency’s replacement or disuse or other circumstances beyond the Issuer’s control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the “**Euro FX Rate**”) at which the original currency is offered in exchange for euro in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two London Banking Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the original currency will be payable. Any payment made in euro or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 17.

20. Prescription

20.01 In respect of Notes governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, subject to applicable law, the Issuer’s obligation to pay an amount of principal and interest in respect of Notes will cease if the Notes or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 18.02) for payment thereof, or such other length of time as is specified in the applicable Final Terms.

20.02 In respect of Senior Notes governed by English law (whether in bearer or registered form), Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 18.02) therefor.

20.03 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 19.06 or this Condition 20 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Note, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Note.

20.04 In relation to Swedish Notes, the Issuer’s obligation to pay an amount of principal in respect of such Notes will cease if a claim for payment of such principal is not made within ten years after the Relevant Date. The Issuer’s obligation to pay an amount of interest in respect of Swedish Notes will cease if a claim for payment of such interest is not made within five years after the Relevant Date.

For the purposes of this Condition 20.04, “**Relevant Date**” means the date on which such payment first becomes due, or such later date on which an interruption of the period of limitation (Sw. *preskriptionsavbrott*) is made in accordance with the Swedish Limitations Act 1981 (Sw. *preskriptionslagen (1991: 130)*).

21. The Paying Agents, the Registrar and the Calculation Agent

21.01 The Issuing and Paying Agent and the Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) following the issue of Definitive Notes, and while any such Definitive Notes are outstanding, a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (v) so long as the Notes are admitted to the Official List and to trading on the London Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority and the rules of such exchange or relevant authority so require, a Paying Agent (which may be the Issuing and Paying Agent) and a Registrar each with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (vi) in the circumstances described in Condition 18.04, a Paying Agent with a specified office in New York City, and (vii) a Calculation Agent where required by the Conditions applicable to any Notes (in the case of (i), (ii), (iii) and (vii) with a specified office located in such place (if any) as may be required by the Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 24.

21.01a The Swedish Notes Issuing and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swedish Notes Issuing and Paying Agent provided that the Issuer shall at all times maintain a Swedish Notes Issuing and Paying Agent authorised to act both as an account operating institution (Sw. *kontoförande institut*) and issuing agent (Sw. *emissionsinstitut*) with Euroclear Sweden. Notice of all changes in the identity or specified offices of the Swedish Notes Issuing and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 24.

21.01b The Swiss Programme and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swiss Programme and Paying Agent provided that the Issuer shall at all times maintain a Swiss Programme and Paying Agent authorised to act in such capacity. Notice of all changes in the identity or specified offices of the Swiss Programme and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 24.

21.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other

agreement entered into with respect to their respective appointments, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

21.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Notes issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Notes. The applicable Final Terms relating to such Notes shall include the relevant details regarding the applicable Paying Agent.

22. Replacement of Notes (other than Swedish Notes)

If any Note (other than any Swedish Note), Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) (the "**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

23. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Notes of any Series (other than Swedish Notes) to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series, except that without the consent and affirmative vote of each Holder of Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the Rates of Interest in respect of the Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Final Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) subject to any applicable redenomination provisions specified in the Final Terms, change the Specified Currency or Currencies of payment or Specified Denomination of the Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a

meeting of the Holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

The Issuer may, with the consent of the Issuing and Paying Agent, but without the consent of the Holders of the Notes, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of Notes, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein in respect of Notes. Subject as aforesaid, no other modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Issue and Paying Agency Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Notes.

23a. Meetings of Holders of Swedish Notes and Modification

The Swedish Notes Issuing and Paying Agent Agreement contains provisions for convening meetings of the Holders of Swedish Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Swedish Notes Issuing and Paying Agent Agreement) of these Conditions insofar as the same may apply to such Swedish Notes. An Extraordinary Resolution passed at any meeting of the Holders of Swedish Notes of any Series will be binding on all Holders of the Swedish Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Swedish Notes of such Series, except that without the consent and affirmative vote of each Holder of Swedish Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Swedish Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Swedish Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Swedish Notes, (iii) reduce the Rates of Interest in respect of the Swedish Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Final Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) subject to any applicable redenomination provisions specified in the Final Terms, change the Specified Currency or Currencies of payment or Specified Denomination of the Swedish Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Swedish Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a meeting of the Holders of Swedish Notes (or at any adjournment thereof) at which a special quorum (provided for in the Swedish Notes Issuing and Paying Agent Agreement) is present.

If the holder of Swedish Notes held through a nominee (an “**Indirect Noteholder**”) attends the meeting (in person or through a duly authorised agent) and shows a certificate from the relevant nominee showing that such Indirect Noteholder on the fifth (5th) Business Day prior to the meeting was a holder of Swedish Notes, the Indirect Noteholder shall be regarded a Holder of Swedish Notes for the purposes of this Condition 23a.

In connection with a meeting of Holders of Swedish Notes, the Swedish Notes Issuing and Paying Agent shall have access to the Swedish Notes Register.

Save as provided therein, the Swedish Notes Issuing and Paying Agent Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Swedish Notes.

24. Notices

To Holders of Bearer Notes

24.01 Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Notes represented by a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

To Holders of Registered Notes

24.02 Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, or permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Registered Notes in global form, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed.

To Issuer

24.03 Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent or the Registrar (as applicable). While any of the Notes are represented by a Global Note, such notice may be given by any Holder to the Issuing and Paying Agent or the Registrar (as applicable) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

In relation to Swedish Notes

24.04 All notices regarding the Swedish Notes will be deemed to be validly given if sent by mail to a Holder of Swedish Notes to the address registered for such Holder in the system of

Euroclear Sweden or in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden. Any such notice shall be deemed to have been given, if sent by mail to the Holder, on the fourth Business Day following the day the notice was sent by mail.

In relation to Swiss Notes listed on the SIX Swiss Exchange

24.05 All notices regarding Swiss Notes listed on the SIX Swiss Exchange to be made to Holders will be additionally given through the online information system of the SIX Swiss Exchange, by publishing on SIX Swiss Exchange's website as provided for in the rules of the SIX Swiss Exchange. The SIX Swiss Exchange's designated website is:

http://www.sixexchangeregulation.com/publications/communiqués/official_notices_en.html

25. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further Notes, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Notes of any particular Series.

26. Currency Indemnity

Subject to Condition 19.18, the currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

27. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given

in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

28. Branch of Account

28.01 This Condition 28 applies to Senior Notes and Subordinated Notes for which a Branch is specified in the applicable Final Terms only. For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Final Terms in respect of Senior Notes shall be the branch of account (the “**Branch of Account**”) for the deposit liabilities under the *Bank Act* (Canada) evidenced by this Senior Note. If not specified in the applicable Final Terms, the Branch of Account will be the main branch of the Issuer in Toronto. Notes issued by a Branch of Account are obligations of the Bank.

28.02 Senior Notes will be paid without the necessity of first being presented for payment at the Branch of Account.

28.03 If the Branch of Account in respect of Senior Notes, or any Branch specified in the applicable Final Terms in respect of Subordinated Notes, is not in Canada, the Bank may change the Branch of Account for the deposit liabilities under the *Bank Act* (Canada) evidenced by the Senior Note or any Branch specified in the applicable Final Terms in respect of Subordinated Notes, upon not less than seven days’ prior notice to the Holder given in accordance with Condition 24 and upon and subject to the following terms and conditions:

- (i) if the Note is denominated in Yen, the Branch of Account or Branch, as the case may be, shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the holders of the Senior Notes, Receipts and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments of principal, interest or other amounts on Notes of this Series, Coupons and Receipts relating thereto to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a holder of a Note of this Series, Coupon or Receipts relating thereto who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series, Coupon or Receipts as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of

a Relevant Jurisdiction or any authority therein or thereof having power to tax.

29. Amendment Option and Conversion Option

This Condition 29 is applicable to Subordinated Notes only.

- (i) The Issuer may, with the prior approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), without the Holders’ consent, at any time upon notice to Holders given not less than 30 days but not more than 60 days prior to the effective date of the amendment, amend these Conditions such that, with effect from the date specified in such notice, (a) the Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) evidencing the same, (b) continuing debt obligations as the Subordinated Notes so amended, constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all other deposit liabilities of the Issuer (except as otherwise prescribed by law) and without any preference amongst themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law) and (c) the Events of Default in Condition 17.01(i) and (ii) shall thereafter apply to such Notes. The remaining terms and conditions of such Notes shall remain in full force and effect unamended.
- (ii) Subject to the following sentence, a Holder of Notes will be entitled, but only upon notice from the Issuer which may be given by the Issuer at various times only with the prior approval of the Superintendent, to convert, without payment of additional consideration, all, but not less than all, of the Notes held by such Holder on the date specified in such notice into an equal aggregate principal amount of new debentures issued by the Issuer, together with accrued and unpaid interest to the date of conversion. Any such notice from the Issuer must describe the material terms of the debentures to result from such conversion and must be given not less than 30 days but not more than 60 days prior to the date fixed for the conversion.

30. Contracts (Rights of Third Parties) Act 1999

No person shall have any rights to enforce any Condition of any Senior Notes governed by English law under the *Contracts (Rights of Third Parties) Act 1999*, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

31. Law and Jurisdiction

31.01 The Issue and Paying Agency Agreement, the Subordinated Notes and Receipts, Coupons and Talons related thereto and, unless otherwise specified in the applicable Final Terms, the Senior Notes and Receipts, Coupons and Talons related thereto are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

31.02 In the case of Senior Notes issued on a non-syndicated basis only, if specified in the applicable Final Terms, the Senior Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with such Senior Notes, Receipt, Coupons and Talons shall be governed by, and shall be construed in accordance with, English law.

31.03 The Swedish Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

31.04 The Swiss Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

31.05 If the governing law for the Senior Notes, the Receipts, the Coupons and the Talons is specified in the applicable Final Terms as being English law, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any such Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of such Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably agrees that service of process in any such Proceedings in England shall be deemed completed on delivery to its London branch at Riverbank House, 2 Swan Lane, London EC4R 3BF, England (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 24. Nothing shall affect the right to serve process in any manner permitted by law.

FORM OF FINAL TERMS OF THE NOTES

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA
(a Canadian chartered bank)

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the Programme for the Issuance of Securities

[These Notes provide for a dynamic structure which may result in changes to the Terms and Conditions and/or to the underlying(s) of the Notes.]¹

[The Notes may not be publicly marketed or offered in or from Switzerland, as such terms are defined or interpreted under the Swiss Federal Act on Collective Investment Schemes (“CISA”)]²

[Notice Regarding Offers in the EEA

[Except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

(i) in that Relevant Member State in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 50 of Part A below, provided such person is one of the persons mentioned in Paragraph 50 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]³

¹ Include for Notes to be listed on SIX Swiss Exchange which qualify as derivatives with dynamic structures according to article 8 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange.

² Include in the case of a private placement in Switzerland.

³ Include this legend only where there is a non-exempt offer of Notes anticipated.

[Any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]⁴

[The Notes are not subject to supervision by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”): None of the Notes constitute a participation in a collective investment scheme within the meaning of the CISA and are neither subject to the authorisation nor the supervision by the FINMA and investors do not benefit from the specific investor protection provided under the CISA.]⁵

[(Insert any specific additional risk factors, if appropriate.)]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [●] [and the supplemental Prospectus[es] dated [●]]⁶ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Prospectus[es]], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus] dated [*original date*] [and the supplemental Prospectus[es] dated [●]] which are incorporated by reference in the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]]. This

⁴ Include this legend only where there is an exempt offer of Notes anticipated.

⁵ Include in the case of Notes offered in Switzerland

⁶ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Prospectus(es) dated [●]]³, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms (including the Conditions) and the Base Prospectus dated [current date] [and the supplemental Prospectus(es) dated [●]]. The [Base Prospectus] [and the supplemental Prospectus(es)] are available for viewing on the of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive. If so, to avoid withdrawal rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Base Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

[By investing in the Notes each investor represents that:

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

(b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.

(c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Notes.]⁷

⁷ Insert for Reference Item Linked Notes only, as appropriate.

1. Issuer: Royal Bank of Canada
 Branch of Account / Branch: [Not Applicable] [London Branch] [Main Toronto Branch located at 200 Bay Street, Toronto, Ontario, Canada]
2. [(i)] Series Number: []
 [(ii) Tranche Number: []
 (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.) (For Preference Share Linked Notes, Condition 25 (Further Issues) has been disapplied for EIS eligibility purposes)
3. Specified Currency or Currencies: []
 (Condition 1.10)
4. Aggregate Principal Amount: []
 [(i)] Series: []
 [(ii) Tranche: []
5. Issue Price: [] per cent of the Aggregate Principal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only (if applicable))]
 [For Preference Share Linked Notes: 100% of the Aggregate Principal Amount]
6. (a) Specified Denominations: []
 (Condition 1.08 or 1.09)
 [N.B. where Bearer Notes with multiple denominations are being used, the following sample wording should be followed:
 [[•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•].]**
 [So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in

** If item 37 indicates that a Global Note is exchangeable for Definitive Notes at the option of a Holder, the Specified Denominations may not include integral multiples.

principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of [●], notwithstanding that no definitive Notes will be issued with a denomination above [●].

(N.B. Following the entry into force of the 2010 PD Amending Directive on December 31, 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than July 1, 2012) must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)

(b) Calculation Amount:

[If only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination, and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note – there must be a common factor in the case of two or more Specified Denominations or integral multiples in excess of the Specified Denomination(s).]

(c) Minimum Trading Size:

[Applicable⁸: [●]/Not Applicable]

⁸ Always applicable if Notes are listed on SIX Swiss Exchange.

7. (i) Issue Date: []
- (N.B. For Preference Share Linked Note, the Preference Shares should already be in issue)*
- (ii) Interest Commencement Date [Specify/Issue Date /Not Applicable]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
- (In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)*
- [For Preference Share Linked Notes:
- [●] or if later [three] Business Days after the Final Valuation Date]]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[LIBOR/EURIBOR/Other (specify)] +/-][•] per cent. Floating Rate]
- [Zero Coupon]
- [Currency Linked Interest]
- [Commodity Linked Interest]
- [Equity Linked Interest]
- [Index Linked Interest]
- [Fund Linked Interest]
- [Dual Currency Interest]
- [Non-interest bearing]
- [Other (Specify)]
- (Further particulars specified below)*
- (N.B. If two or more of the above apply, state which are applicable and complete the relevant particulars)*

10. [(a)] Redemption Basis⁹: [Redemption at par]
 [Currency Linked Redemption]
 [Commodity Linked Redemption]
 [Equity Linked Redemption]
 [Index Linked Redemption]
 [Credit Linked Redemption]
 [Fund Linked Redemption]
 [Dual Currency Redemption]
 [Preference Share Linked Redemption]
 [Partly Paid]
 [Instalment]
 [Other (*Specify*)]
(N.B. If two or more of the above apply, state which are applicable and complete the relevant particulars)
- [(b)] Protection Amount: [Principal Protected/[•] per cent. of the Calculation Amount /Not Applicable]¹⁰
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis / Not Applicable*]
12. Put Option/ Call Option/ Trigger Early Redemption: [Put Option]
 [Call Option]
 [Trigger Early Redemption]
 [(further particulars specified below)]
 [*For Preference Share Linked Notes:*
 [Call Option/Not Applicable] (*Put Option and Trigger Early Redemption should not be specified*)]
13. [(i)] Status of the Notes: [Senior/Subordinated] Notes
 (*For Preference Share Linked Notes: Senior Notes*)

⁹ If the Final Redemption Amount is other than 100 per cent. of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

¹⁰ Only applies to Reference Item Linked Notes. In the case of Preference Share Linked Notes this should be no more than 10% of the Issue Price.

[(ii)] [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or, if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other than July 8, 2011)

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 (Condition 5.02) *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Specified Interest Payment Date(s) [] in each year [adjusted in accordance with the Business Day Convention /not adjusted]
 [Interest Ex-Date]¹¹:

(iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]

(iv) Fixed Coupon Amount[(s)]: [] per Calculation Amount

(v) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [on/or] []
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]

(vi) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]

(vii) Interest Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

¹¹ Give details for SIX Swiss Exchange traded Notes only.

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
 (Condition 5.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates []
 [Interest Ex-Date]¹²:
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (iv) Business Centre(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent): []
- (vii) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions)
- Interest Determination Date(s): []
(Second London business day prior to start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to start of each Interest Period if EURIBOR or euro LIBOR.)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is on page which shows a composite rate or amend fallback provisions appropriately.)

¹² Give details for SIX Swiss Exchange traded Notes only.

- Relevant Time: []
- Reference Banks: []
- (viii) ISDA Determination: Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (ix) Margin(s): [+/-][] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xi) Maximum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.11 for alternatives)
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent per annum
- (ii) Reference Price: [] per Calculation Amount
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction: []

18. Reference Item Linked Interest Notes	[Applicable/Not Applicable]
	<i>[If not applicable, delete the remaining subparagraphs of this paragraph]</i>
(i) Description of formula to be used to determine the Rate of Interest or Interest Amount:	[•]
(ii) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Reference Items and/or formula impossible or impracticable:	[•]
(iii) Interest Period(s)/Specified Interest Payment Date(s)) [Interest Ex-Date] ¹³ :	[•]
(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[Specify other]]
(v) Additional Financial Centre(s):	[•]
(vi) Minimum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(vii) Maximum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(viii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Actual/Actual (ICMA) Other]
	<i>(See definitions in Condition 5.11 for alternatives)</i>
(ix) Other terms or special conditions: ¹⁴	[•]

¹³ Give details for SIX Swiss Exchange traded Notes only.

¹⁴ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada. Alternatively, such Senior Notes could be sold only to accredited investors in Canada.

19. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
 (Condition 6.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
(For Preference Share Linked Notes: Early Redemption Amount per Calculation Amount)
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period¹⁵: []
21. **Put Option** [Applicable/Not Applicable]
 (Condition 6.06) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period⁷: []

¹⁵ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its issuing and paying agent.

22. **Trigger Early Redemption**
(Condition 6.08) [Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Trigger Early Redemption Event: [•]
- (ii) Trigger Early Redemption Date(s): [Each Interest Payment Date immediately following the relevant Observation Date] [• Business Days following the relevant Observation Date] [*specify other*]
- (iii) (a) Trigger Early Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•] [per Calculation Amount]/other/see Appendix
- (b) Trigger Early Redemption Amount includes amount in respect of Accrued Interest: [Yes: no additional amount in respect of accrued interest to be paid / No: together with the Trigger Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Trigger Early Redemption Amount, if at all.]

23. **Final Redemption Amount of each Note**¹⁶ [[] per Calculation Amount/other/see below/see Appendix]
- [As per item 26 below (include in the case of Reference Item Linked Notes)]
- [Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes.]

24. **Early Redemption Amount**

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default or other early redemption and/or the method of calculating the same (including, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 8, or in the case of Equity Linked Notes, following a Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or [] per Calculation Amount/other/see Appendix [*If effective date for changes in law triggering redemption for taxation reasons is not Issue Date, indicate effective date.*]
- [For Preference Share Linked Notes:
The Early Redemption Amount as set out in Condition 16]

¹⁶ If the Final Redemption Amount is other than 100 per cent. of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

Tender Offer in accordance with Condition 9, or in the case of Equity Linked Notes, Index Linked Notes or Fund Linked Notes (involving ETFs), following an Additional Disruption Event (if applicable), or in the case of Fund Linked Notes, following a Fund Event or De-listing, Material Underlying Event, Merger Event, Nationalisation or Tender Offer in accordance with Conditions 12 and 13) (if required or if different from that set out in the Conditions):

- (ii) Early Redemption Amount includes amount in respect of accrued interest:

[Yes: no additional amount in respect of accrued interest to be paid / No: together with the Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Early Redemption Amount, if at all.]

PROVISIONS RELATING TO REFERENCE ITEM LINKED NOTES

25. Settlement Method

Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery and whether option to vary settlement:

[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery and specify whether Option to vary settlement applies]

[If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply]

26. Final Redemption Amount for Reference Item Linked Notes

[[]] per Calculation Amount/other/see below/see Appendix

[For Preference Share Linked Notes:

Per Calculation Amount, an amount in the Specified Currency calculated by the [Calculation Agent] equal to:

$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}$$

Where:

"Preference Share Value_{final}" means the Preference Share Value on the Final

Valuation Date; and

"**Preference Share Value_{initial}**" means the Preference Share Value on the Initial Valuation Date.]

(For the purposes of the above, the Issue Price must be 100 per cent. of the Aggregate Nominal Amount)]

[Ensure provisions for each type of Reference Item Linked Note are contained in the Schedule or are completed below]

27. Multi-Reference Item Linked Notes

[Applicable / Not Applicable]

[if Applicable:

(a) The Notes are linked to each of the Reference Items set out in the table below. The Terms and Conditions of the Notes as amended and/or supplemented by the applicable Final Terms shall be construed on the basis that in respect of each Reference Item the Relevant Conditions set out beside such Reference Item in the table below shall apply as the context admits separately and independently in respect of the relevant Reference Item.

(b)	Reference Item	Relevant Conditions
(1)	[●]	[Condition [●] as amended and/or supplemented by item [●] below applies]
(2)	[●]	[Condition [●] as amended and/or supplemented by item [●] below applies]
(3)	[●]	[Condition [●] as amended and/or supplemented by item [●]

below applies]

(c) *[Insert additional terms and conditions in respect of multi-asset baskets as required]*

28. Currency Linked Note Provisions

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

(i) Base Currency/Subject Currency:

[•]

(ii) Currency Price:

[•] *[N.B. Include if different from definition in Condition 15.01]*

(iii) FX Market Disruption Event(s):

[FX Price Source Disruption]

[FX Trading Suspension or Limitation]

[Inconvertibility Event]

(iv) FX Price Source(s):

[•]

(v) Specified Financial Centre(s):

[•]

(vi) Averaging:

Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [•].]

(vii) Observation Period(s):

[Each Scheduled Trading Day from (and including) [•] / the Trade Date] to (and including) [•] / the Valuation Date] / [Not Applicable]

(viii) Valuation Date(s):

[•]

(ix) Valuation Time:

[•]

(x) Valuation Cut-Off Date:

[•]

(xi) FX Disrupted Day:

[Consider provisions in Condition 15.01 for calculation of Currency Price if a Valuation Date is a FX Disrupted Day and if not appropriate insert appropriate provisions]

(xii) Weighting:

[•]

(xiii) Other terms or special conditions:¹⁷

[•]

29. Commodity Linked Note Provisions

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Commodity/Basket of [Cocoa]
Commodities/Commodity Index/ Basket [Coffee]

¹⁷ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada. Alternatively, such Senior Notes could be sold only to accredited investors in Canada.

of Commodity Indices:

[Corn]
[Cotton]
[Lean Hogs]
[Live Cattle]
[Soybeans]
[Sugar]
[Wheat]
[Natural Gas (Henry Hub)]
[Oil (WTI)]
[Oil (Brent)]
[Gold]
[Platinum]
[Silver]
[Aluminium]
[Copper]
[Lead]
[Nickel]
[Zinc]
[●]

[The Sponsor[s] of the Commodity Index/Indices is/are [●]]

(ii) Relevant provisions for determining the Final Redemption Amount: [●]

(iii) Commodity Reference Price:

[COCOA-NYBOT]
[COFFEE ARABICA-NYBOT]
[CORN NO. 2 YELLOW-CBOT]
[COTTON NO.2-NYBOT]
[LEAN HOGS-CME]
[LIVE CATTLE-CME]
[SOYBEANS-CBOT]
[SUGAR#11 (WORLD)-NYBOT]
[WHEAT-CBOT]
[NATURAL GAS-HENRYHUB-NYMEX]
[OIL-WTI-NYMEX]
[OIL-BRENT-IPE]
[GOLD-P.M. FIX]
[PLATINUM-P.M. FIX]
[SILVER-FIX]
[ALUMINIUM-LME CASH]
[COPPER-LME CASH]
[LEAD-LME CASH]
[NICKEL-LME CASH]
[ZINC-LME CASH]
[●]

(iv) Price Source:

[Bloomberg Screen page "CC1 <CMDTY> CT"/ Reuters Screen page "0#CC:"] *[insert where the Commodity Reference Price is*

COCOA-NYBOT]

[Bloomberg Screen page "KC1 <CMDTY>
CT"/Reuters Screen page "0#KC:"] *[insert
where the Commodity Reference Price is
COFFEE ARABICA-NYBOT]*

[Bloomberg Screen page "C 1 <CMDTY>
CT"/Reuters Screen page "0#C:"] *[insert
where the Commodity Reference Price is
CORN NO. 2 YELLOW-CBOT]*

[Bloomberg Screen page "CT1 <CMDTY>
CT"/Reuters Screen page "0#CT:"] *[insert
where the Commodity Reference Price is
COTTON NO.2-NYBOT]*

[Bloomberg Screen page "LH1 <CMDTY>
CT"/Reuters Screen page "0#LH:"] *[insert
where the Commodity Reference Price is
LEAN HOGS-CME]*

[Bloomberg Screen page "LC1 <CMDTY>
CT"/Reuters Screen page "0#LC:"] *[insert
where the Commodity Reference Price is
LIVE CATTLE-CME]*

[Bloomberg Screen page "S 1 <CMDTY>
CT"/Reuters Screen page "0#S:"] *[insert
where the Commodity Reference Price is
SOYBEANS-CBOT]*

[Bloomberg Screen page "SB1 <CMDTY>
CT"/Reuters Screen page "0#SB:"] *[insert
where the Commodity Reference Price is
SUGAR#11 (WORLD)-NYBOT]*

[Bloomberg Screen page "W 1 <CMDTY>
CT"/Reuters Screen page "0#W:"] *[insert
where the Commodity Reference Price is
WHEAT-CBOT]*

[Bloomberg Screen page "NG1
<CMDTY>/Reuters Screen page "2NGc1"]
*[insert where the Commodity Reference
Price is NATURAL GAS-HENRYHUB-
NYMEX]*

[Bloomberg Screen page "CL1
<CMDTY>/Reuters Screen page "2CLc1"]
*[insert where the Commodity Reference
Price is OIL-WTI-NYMEX]*

[Bloomberg Screen page "CO1
<CMDTY>/Reuters Screen page "LCOc1"
*[insert where the Commodity Reference
Price is OIL-BRENT-IPE]*

[Bloomberg Screen page "GOLDLNPM
<INDEX>/Reuters Screen page "GOFO"]
*[insert where the Commodity Reference
Price is GOLD-P.M. FIX]*

[Bloomberg Screen page "PLTMLNPM <INDEX>"/Reuters Screen page "STBL"]
[insert where the Commodity Reference Price is PLATINUM-P.M. FIX]

[Bloomberg Screen page "SLVRLNPM <INDEX>"/Reuters Screen page "SIFO"]
[insert where the Commodity Reference Price is SILVER-FIX]

[Bloomberg Screen page "LOAHDY <CMDTY>"/Reuters Screen page "SETTMAL01"] [insert where the Commodity Reference Price is ALUMINIUM-LME CASH]

[Bloomberg Screen page "LOCADY <CMDTY>"/Reuters Screen page "SETTMCU01"] [insert where the Commodity Reference Price is COPPER-LME CASH]

[Bloomberg Screen page "LOPBDY <CMDTY>"/Reuters Screen page "SETTMPB01"] [insert where the Commodity Reference Price is LEAD-LME CASH]

[Bloomberg Screen page "LONIDY <CMDTY>"/Reuters Screen page "SETTMNI01"] [insert where the Commodity Reference Price is NICKEL-LME CASH]

[Bloomberg Screen page "LOZSDY <CMDTY>"/Reuters Screen page "SETTMZN01"] [insert where the Commodity Reference Price is ZINC-LME CASH]

[●]

(v) Exchange:

[NYBOT] [insert where the Commodity Reference Price is COCOA-NYBOT, COFFEE ARABICA-NYBOT, COTTON NO.2-NYBOT or SUGAR#11 (WORLD)-NYBOT]

[CBOT] [insert where the Commodity Reference Price is CORN NO. 2 YELLOW-CBOT, SOYBEANS-CBOT or WHEAT-CBOT]

[CME] [insert where the Commodity Reference Price is LEAN HOGS-CME or LIVE CATTLE-CME]

[NYMEX] [insert where the Commodity Reference Price is NATURAL GAS-HENRYHUB-NYMEX or OIL-WTI-NYMEX]

[ICE] [insert where the Commodity Reference Price OIL-BRENT-IPE]

[London Gold Market] [insert where the Commodity Reference Price is GOLD-P.M.]

- [LPPM] [*insert where the Commodity Reference Price is PLATINUM-P.M. FIX*]
 [London Silver Market] [*insert where the Commodity Reference Price is SILVER-FIX*]
 [LME] [*insert where the Commodity Reference Price is ALUMINIUM-LME CASH, COPPER-LME CASH, LEAD-LME CASH, NICKEL-LME CASH or ZINC-LME CASH*]
 [●]
- (vi) Delivery Date: [●]
[See Conditions]
- (vii) Pricing Date: [●]
- (viii) Nearby Month: [●]
[See Conditions]
- (ix) Common Pricing: [Applicable/Not Applicable] (*N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket*)
- (x) Additional Market Disruption Events: [*specify any additional Market Disruption Events*]
- Disruption Fallback(s): [As set out in Condition 14]/[●]
[Fallback Reference Price: alternate Commodity Reference Price – [●]]
[Commodity Index Cut-Off Date: [●]]
- (xi) Commodity Business Day: [●]
- (xii) Trade Date: [●]
- (xiii) Weighting: [Not Applicable/The weighting to be applied to each item comprising the Basket is [●]]

(N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket)
- (xiv) Specified Price: [high price]
[low price]
[average of the high price and the low price]
[closing price]
[opening price]
[bid price]
[asked price]
[average of the bid price and the asked price]
[settlement price]

- [official settlement price]
[official price]
[morning fixing]
[afternoon fixing]
[spot price]
[other]
- (xv) Other terms or special conditions: [●]
30. **Index Linked Note Provisions (Equity Indices only)** [Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Whether the Notes relate to a Basket of Indices or a single Index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi-Exchange Index: [Single Index/Basket of Indices]
Index or Indices: [[•] (*Give or annex details*)]
Index Sponsor(s):
Multi-Exchange Index : [Yes/No]
- (ii) Reference Level: [As set out in Condition 8.03 / *Insert another definition*]
- (iii) Averaging Date(s): [The Averaging Dates are [].]
[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (iv) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (v) Observation Date(s): [[•] (*Give details*) / Not Applicable]
- (vi) Valuation Date(s): [•]
- (vii) Valuation Time: [Condition 8.03 applies/(*Specify if other*)]
- (viii) Disrupted Day: [*Consider provisions in Condition 8.03 for calculation of the Reference Level if a Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions*]
- (ix) Additional Disruption Events: [Applicable/Not Applicable]
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Other]

- (x) Index Substitution: [Applicable/Not Applicable]
- [If applicable, the Index Substitution Criteria are:
[]]
- (xi) Exchange(s): [•]
- (xii) Related Exchange(s): [All Exchanges]/[•]
- (xiii) Initial Level: [•]
- (xiv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (xv) Hedging Entity: [Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]
- (xvi) Weighting: [•]
- (xvii) Other terms or special conditions:¹⁸ [•]
- 31. Equity Linked Note Provisions** [Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Whether the Notes relate to a Basket of Equities or a single Equity and the identity of the Equity Issuer(s): [Single Equity/Basket of Equities] [Give or annex details of Equity Issuers and Equities, including details of Underlying Equities where applicable]
- (a) Equity/Equities: [Existing ordinary shares of the Equity Issuer]
- (b) Equity Issuer: [•] (Bloomberg code [•]);
- (c) ISIN/Common Code: [•]/[•]
- (ii) Reference Price: [As set out in Condition 9.05 / Insert another definition]
- (iii) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]

¹⁸ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada. Alternatively, such Senior Notes could be sold only to accredited investors in Canada.

	[Insolvency Filing]
	[Other]
(xix) Equity Substitution:	[Applicable/Not Applicable]
	[If applicable, the Equity Substitution Criteria are : []]
	[If applicable and DRs, DR Substitution Criteria are: []]
(xx) Exchange(s):	[•]
(xxi) Related Exchange(s):	[All Exchanges]/[•]
(xxii) Exchange Rate:	[Applicable/Not Applicable] <i>[If applicable, insert details]</i>
(xxiii) Partial Lookthrough Depositary Receipt Provisions:	[Applicable / Not Applicable]
(xxiv) Full Lookthrough Depositary Receipt Provisions:	[Applicable / Not Applicable]
(xxv) Hedging Entity:	<i>[Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]</i>
(xxvi) Weighting:	[•]
(xxvii) Other terms or special conditions: ¹⁹	[•]
32. Fund Linked Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Whether the Notes relate to a single Fund or Basket of Funds and the identity of the relevant Fund / Funds:	[Single Fund / Basket of Funds] (Give or annex details)
	[[The [•] Fund is an ETF]
	[Exchange for each Fund Share: []]
	[Related Exchange for each Fund Share: []/All Exchanges]
	[Underlying Index]: []
	<i>(N.B. Include for Exchange Traded Funds</i>

¹⁹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada. Alternatively, such Senior Notes could be sold only to accredited investors in Canada.

- (ETFs)]
- (ii) Fund Interest(s): [•]
(N.B. For ETFs insert "Fund Shares")
- (iii) Reference Price: [As set out in Condition 13.09] / *Insert another definition*
[N.B. Include for ETFs only]
- (iv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (v) Averaging Date(s): [The Averaging Dates are []].
 [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [•] / the Trade Date] to (and including) [•] / the Valuation Date] / [Not Applicable]
- (vii) Observation Date(s): [•] (*Give details*) / Not Applicable]
- (viii) Valuation Date(s): []
- (ix) Valuation Time: [Condition 13.09 applies/Specify if other/Not Applicable
[N.B. Include for ETFs only]
- (x) Disrupted Day: [*Consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs included in Condition 13.09 and if not appropriate insert appropriate provisions*] [Not Applicable]
[N.B. Include for ETFs only]
- (xi) Common Disrupted Days: [Applicable/Not Applicable]
[N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket of Fund Shares.]
- (xii) Relevant provisions for determining certain Fund Events:
- (a) NAV Trigger: [Insert percentage]

- (b) Reporting Disruption Period: *[Insert applicable period]*
- (xiii) Initial Price: []
- (xiv) Additional Disruption Events: [Applicable/Not Applicable]
- Change in Law: [Applicable/Not Applicable]
- Hedging Disruption: [Applicable/Not Applicable]
- Increased Cost of Hedging: [Applicable/Not Applicable]
- Insolvency Filing: [Applicable/Not Applicable]
- (xv) Exchange Rate []
- (xvi) Hedging Entity: *[Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]*
- (xvii) Weighting: []
- (xviii) Other terms and special conditions: [Merger Event / Merger Date on or before the [Valuation Date/other]]
- 33. Credit Linked Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Relevant provisions for determining Final Redemption Amount including any fall back provisions: [•]
- (ii) Other terms or special conditions,²⁰
- 34. Dual Currency Note Provisions** [Applicable (give details)/Not Applicable]
- 35. Preference Share Linked Notes** [Applicable/Not Applicable]
- (i) Preference Share: []
- (ii) Calculation Agent responsible for making calculations in respect of the Notes: [RBC Capital Markets, LLC]/[]
- (iii) Trade Date: []
- (iv) Final Valuation Date: []
- (v) Valuation Time: [] [(London time)]

²⁰ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada. Alternatively, such Senior Notes could be sold only to accredited investors in Canada.

(vi) Extraordinary Events: Condition 16.05 [*applies/does not apply*] / *insert other extraordinary events*]

(vii) Additional Disruption Events: Condition 16.06 [*applies/does not apply*] / The following Additional Disruption Events apply to the Notes:

[Change in Law]
[Hedging Disruption]
[Insolvency Filing]
[*other*]]

36. Physical Delivery^{*}

[Applicable/Not Applicable]

(i) Relevant Assets: [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable*]

(ii) Entitlement: [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable*]

The Entitlement (as defined in Condition 10.07) in relation to each Calculation Amount is [●].

The Entitlement will be evidenced by [*Insert details of how will be evidenced*]

(iii) Cash Adjustment: [The Cash Adjustment per Calculation Amount will be determined as follows: [●]]

(iv) Cut-Off Date: [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable*]

(iv) Delivery provisions for Entitlement (including details of who is to make such delivery) if different from Conditions: [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable*]

[*N.B. Specify inter alia relevant Clearing System for delivery*]

(v) Failure to Deliver due to Illiquidity: [Applicable / Not Applicable]

^{*} Where the Relevant Assets are shares or share equivalents of a third party issuer that are not admitted to a regulated market, the Issuer may be required to prepare a Supplement or Drawdown Prospectus to include any additional information about the Relevant Assets. Physical delivery of underlying commodities is not permitted.

(vi) Settlement Business Day: [Any day on which *[insert details of clearing system for delivery of Entitlement]* (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions] [other]

(vii) Other terms or special conditions:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

37. (i) New Global Note: [Yes / No]

(If the Bearer Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a “yes” election is made in the section in Part B under the heading “Operational Information” entitled “Intended to be held in a manner which would allow Eurosystem eligibility”.)

(ii) Form of Notes: [Bearer Notes] [Bearer Notes exchangeable for Registered Notes]

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice]

[Permanent Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Registered Notes]

[Swedish Notes]

[Swiss Notes]

[Swiss Notes initially represented by a

Permanent Global Note deposited with SIX SIS and transformed into Intermediated Securities]

[Swiss Notes initially represented by a Permanent Global Registered Note deposited with SIX SIS and transformed into Intermediated Securities]

38. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(iv) relate*]
39. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): (Condition 1.06) [Yes/No *If yes, give details*]
40. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
41. Details relating to Instalment Notes: amount of each instalment ("**Instalment Amounts**"), date on which each payment is to be made ("**Instalment Dates**"): [Not Applicable/*give details*]
42. Redenomination provisions: [Not Applicable/The provisions annexed hereto apply]
43. Consolidation provisions: [Not Applicable/The provisions annexed hereto apply]
44. Name and address of Calculation Agent: []
45. Other final terms: [Not Applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*
- [Include Notice provisions other than those found in Condition 24]*
- [Include additional Events of Default*

(Condition 17.01) and any Default Interest Rate (Condition 5.06)]

DISTRIBUTION

46. [(i)] If syndicated, [names and addresses]^{*} of Managers [and underwriting commitments]: [Not Applicable/give names, [addresses and underwriting commitments]^{*}]
- [(Include names [and addresses]^{*} of entities agreeing to underwrite the issue on a firm commitment basis and names [and addresses]^{*} of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)^{*} [Not Applicable in non-exempt offers Italy]
- [Insert, if applicable, in the case of non-exempt offers in Italy:]
- [The Notes will be placed in Italy without any underwriting commitment and no undertaking has been made by third parties to guarantee the subscription of the Notes.
- The Notes will be publicly offered in Italy through the following distributor[s]:
- [●]
- [(ii) Date of [Subscription Agreement]^{*}: []]
- [(iii)] Stabilising Manager(s) (if any): [Not Applicable/give name]
47. If non-syndicated, name [and address]^{*} of Dealer: [Not Applicable/give name [and address]^{*}]
48. [Total commission and concession: [] per cent. of the Aggregate Principal Amount]
49. U.S. Selling Restrictions: [Regulation S compliance Category 2; [TEFRA C rules apply]^{**} [TEFRA D rules apply] [TEFRA D rules apply in accordance with usual Swiss practice]^{***} [TEFRA rules not applicable]
50. Non-Exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, names of other financial

* Required for Notes with minimum denominations less than Euro 100,000 or for derivative securities to which Annex XII to the Prospectus Directive applies. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive.

** TEFRA C to be used for Notes denominated in other than CHF and settled in SIX SIS unless in registered form or considered in registered form for U.S. tax purposes at time of issue.

*** Required for Notes denominated in CHF and settled in SIX SIS.

*intermediaries/placers making non-exempt offers, to the extent known OR consider a general description of other parties involved in non-exempt offers (e.g. “Other parties authorised by the Managers”)] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] (until [specify date or a formula such as “the Issue Date” or “the date which falls [] Business Days thereafter”]) (“**Offer Period**”). See further Paragraph 14 of Part B below]*

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)

51. Additional selling restrictions:

[Not Applicable/give details]

[The Notes may be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]²¹

[Each of the [Managers] covenants that:

(i) it has offered and sold and will offer and sell the Notes only in accordance with practices and documentation customary in Switzerland;

(ii) it has used and will use reasonable efforts to sell the Notes only in Switzerland; and

(iii) it will use reasonable efforts to ensure

²¹ This language should not be included for, among others, Notes permitting physical settlement of securities. If applicable, include any additional Canadian selling restrictions required.

that more than 80% by [value] of the Notes will be offered and sold to non-distributors by distributors maintaining an offer in Switzerland (“**distributors**” having the meaning ascribed thereto in the U.S. Internal Revenue Code and regulations thereunder).²²

52. Exchange Date: []
53. The Aggregate Principal Amount of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of: [U.S.\$●] [Not Applicable]
54. Governing law of Senior Notes (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): [English law / Not Applicable]²³

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [specify stock exchange] [SIX Swiss Exchange] and to] trading on [specify relevant [regulated] market[Scoach Switzerland]] of the Notes described herein pursuant to the Programme for the Issuance of Securities of Royal Bank of Canada.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Specify third party information) has been extracted from (specify source)]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain [from information published by (specify source)], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

²² Required for issues of Notes denominated in CHF settled in SIX SIS.
²³ English law may only be elected in the case of Senior Notes issued on a non-syndicated basis. Swedish Notes are governed by English law.

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

- [(i)] Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of [the UKLA / Luxembourg Stock Exchange / Borsa Italiana S.p.A. / NASDAQ OMX Stock Exchange / other] and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on SIX Swiss Exchange and admitted to trading on Scoach Switzerland with effect from []] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on SIX Swiss Exchange and admitted to trading on Scoach Switzerland from [], provided that no assurance can be given that the Notes will be admitted to trading on Scoach Switzerland or listed on SIX Swiss Exchange on the Issue Date or any specific date thereafter.] [Not Applicable.]

[Notes listed on SIX Swiss Exchange may be suspended from trading in accordance with Article 57 of the SIX Listing Rules or be de-listed from SIX Swiss Exchange during the lifetime of the Notes.]¹

Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- [(ii)] Estimate of total [] expenses related to admission to trading.²

** If an issue of Notes is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 12 and 14 of this Part B.

¹ Include this in case of SIX Swiss Exchange listing.

² Only required for Notes with minimum denominations greater than Euro 100,000.

2. RATINGS

Ratings:

The Notes to be issued [have been] / [are expected to be] rated:

[S & P: AA- [A for Subordinated Debt]]

[Moody's: Aa1 [Aa2 for Subordinated Notes]]

[[Other rating agency]: []]

[Need to include the full legal name of each rating agency above and a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]³

[[insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union and is registered under Regulation (EC) No. 1060/2009, disclosed the intention to endorse credit ratings of [Insert credit rating agency]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the European Union by relevant market participants for a transitional period ending on 30 April 2012.]

³ Brief explanation of meanings is only required for Notes with denominations less than Euro 100,000.

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of one of the following statements:

[Save [for any fees payable to the [Managers/Dealers] and] as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[The Issue Price may include a fee or commission payable to a distributor or third party. Such fee or commission will be determined by reference to a number of factors including but not limited to the maturity date of the Notes, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[The Issue Price includes a fee or commission of [●] per cent. of the notional amount of the Notes payable to a distributor or third party.]

[For Hong Kong issuances: The Issue Price may include a fee or commission payable to a distributor or third party, such a fee or commission will be determined by a number of factors including but not limited to maturity of the note, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[When adding any other description, consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from that set out in the Base Prospectus will need to include those reasons here.)]

[(ii) Estimated net proceeds: ●.

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: ●.

[N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [Fixed Rate Notes only – YIELD

Indication of yield: ●.

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

[As set out above,]* [the] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [[Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. [Index Linked Notes only – PERFORMANCE OF [INDEX/BASKET OF INDICES], [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of where past and future performance and volatility of the/each Index/Basket of Indices can be obtained. [Need to include the name of the/each Index and Index Sponsor and a description if composed by the Issuer and if the/each Index is not composed by the Issuer need to include details of where the information about the/each Index can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]

[When completing this paragraph, consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[Identify source of all third party information.]

8. (Currency Linked Notes Only) PERFORMANCE OF [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES]]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the [relevant rates of exchange/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

9. (Commodity Linked Notes Only) PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES]]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of [the/each Commodity/Commodity Index/basket of Commodities/basket of Commodity Indices] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

10. (Dual Currency Notes Only) PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the relevant rates /currencies can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

11. (Equity Linked Notes and Fund Linked Notes Only) PERFORMANCE OF [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the/each [Equity/Fund] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

[N.B. Where an issue of Equity Linked Notes or Fund Linked Notes is to be redeemed by physical delivery of all or part of a Reference Item and such Reference Item is not listed on a regulated market, the Issuer will supplement the Base Prospectus to include any additional information about the Reference Item that is required to enable the Issuer to comply with its disclosure obligations.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

12. (Credit Linked Notes Only) INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

13. (Preference Share Linked Notes Only) PERFORMANCE OF THE PREFERENCE SHARES. EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES

[The Notes relate to the [] preference shares [relating to []] of the Preference Share Issuer.

The Preference Share Value will be published on each [Business Day] on [the Bloomberg service] on page [].

The performance of the Preference Shares depends on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "**Preference Share Underlying**"). The Preference Share Underlying is [insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate]. Information on the Preference Share Underlying (including past and future performance and volatility) is published on [].]

14. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)] [SIX SIS] [Euroclear Sweden]

(iv) Delivery: Delivery [against/free of] payment

(v) Name(s) and address(es) of Initial Paying Agents, Registrar and Transfer Agents: []

(vi) Names and addresses of additional Paying Agent(s), [Registrar and Transfer Agents] (if any): []

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon

satisfaction of the Eurosystem eligibility criteria] [include this text if “yes” is selected *in which case the Bearer Notes must be issued in NGN form*]

15. TERMS AND CONDITIONS OF THE OFFER*

Offer Price: [Issue Price] [Not Applicable] [*specify*]

[*Insert, if applicable, in the case of non-exempt offers in Italy.*]

[The offer price is €[●] for each Note (of which [●] per cent. is the expected average commissions payable to the distributors).]

Conditions to which the offer is subject: [Not Applicable / *give details*]

Description of the application process: [Not Applicable / *give details*]

[*Insert, if applicable, in the case of non-exempt offers in Italy.*]

[Investors may apply to subscribe for Notes during the Offer Period. The Offer Period may be discontinued at any time. In such a case, the offeror shall give immediate notice to the public before the end of the Offer Period by means of a notice published on the website of the Issuer (*insert website*).

Any application shall be made in Italy to the distributors. Investors will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for any Notes.

A prospective investor should contact the relevant distributor prior to the end of the Offer Period. A prospective investor will subscribe for Notes in accordance with the arrangements agreed with the relevant distributor relating to the subscription of securities generally.

* Delete unless non-exempt public offers in the EEA are intended.

There is no pre-identified allotment criteria. The distributors will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Notes requested through the distributors during the Offer Period will be assigned up to the maximum amount of the Offer. A prospective investor will, on the Issue Date, receive 100 per cent. of the amount of Notes allocated to it during the Offer Period.]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable / *give details*]

Details of the minimum and/or maximum amount of application: [Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[The minimum amount of application per investor will be €[●] in nominal amount of the Notes. The maximum amount of application will be subject only to availability at the time of application.]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[Notes will be available on a delivery versus payment basis.

The Issuer estimates that the Notes will be delivered to the purchaser's respective book-entry securities account(s) on or around the Issue Date.]

Manner and date in which results of the offer are to be made public: [Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[By means of a notice published on the website of the Issuer (*[insert website]*) [and from the distributors following the Offer

Period and prior to the Issue Date.]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not Applicable / *give details*]

Categories of potential Investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[The offer may be made through the distributors in Italy to any person, in compliance with the relevant selling restrictions, as described in the Base Prospectus.

Qualified investors may be assigned only those Notes remaining after the allocation of all the Notes requested by the public in Italy during the Offer Period.

Offers (if any) in any other EEA country will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[Applicants will be notified directly by the distributors of the success of their application.

Dealing in the Notes may commence on the Issue Date.]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable / *give details*]

Name(s) and address(es), to the extent [None / give details] known to the Issuer, of the placers in the various countries where the offer takes place:

16. [INDEX/OTHER DISCLAIMER*

The issue of this series of Notes (in this paragraph, the “**Transaction**”) is not sponsored, endorsed, sold, or promoted by [**NAME OF INDEX/OTHER**] (the “**Index**”) or [**NAME OF INDEX/OTHER SPONSOR**] (the “**Index Sponsor**”) and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, none of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

17. [NOTES LISTED ON SIX SWISS EXCHANGE

[(i) First Scoach Switzerland Trading [] [Anticipated to be the Issue Date]
Day:

(ii) Last Scoach Switzerland Trading [] [trading on Scoach Switzerland until
Day: official close of trading on Scoach
Switzerland on that day]

(iii) Swiss Programme and Paying Agent: BNP PARIBAS SECURITIES SERVICES,
Paris, Zurich Branch

(v) Valor []

(vi) SIX Swiss Exchange Symbol []

* Include unless the relevant Index has a bespoke disclaimer, in which case substitute such bespoke disclaimer.

(vii) Type of quoting

[[flat/dirty trading] [clean trading]] [Not
Applicable]

In respect of Notes to be listed on SIX Swiss Exchange, the Base Prospectus, together with any Supplements thereto and the Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange.⁴

⁴ Include this entire section in case of a listing of the Notes on SIX Swiss Exchange.

[ANNEX TO THE FINAL TERMS

Additional Information related to Notes listed on SIX Swiss Exchange

Issuer Representative in the sense of article 43 of the Listing Rules of SIX Swiss Exchange; Naegeli & Partners Attorneys at Law Ltd, Klausstrasse 33, 8008 Zurich, Switzerland.

No Material Adverse Change: Except as disclosed in any document incorporated by reference in the Base Prospectus, as supplemented as at the date of these Final Terms, there has been no material adverse change in the assets and liabilities or financial position of the Issuer respectively since the date of their most recently published financial statements.]¹

[Additional information for Notes to be listed on SIX Swiss Exchange which qualify as derivatives with dynamic structures according to article 8 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange

[] *Insert detailed description of changes to the Conditions and/or to the Reference Item(s) of the Notes (e.g. "roll-over") resulting from the dynamic structure(as defined in the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange)]*

[Additional information for Notes to be listed on SIX Swiss Exchange which qualify as actively managed certificates according to article 11 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange

[] *Insert description of: (1) the investment strategy: present the precise definitions and specifications of the investment guidelines in a clear and comprehensible form. The investment restrictions must be determined in a manner such that the investor can clearly understand the strategy and orientation of the Securities); (2) Cost transparency: to include, at the minimum: (a) fees: all fees charged by the relevant Issuer must be disclosed; (b) treatment of dividends: disclose how dividends paid on the Reference Item(s) are handled; (c) "rebalancing": an indication of the criteria according to which the rebalancing of the Reference Item(s) is accomplished.]*

Additional Reference Item information

General information with respect to the Reference Item

General designation or description of the Reference Item

[[] *Insert description for each Reference Item]*

[where applicable:] [Company name and domicile of the issuer of the Reference Item]

[[] *Where applicable, insert company name and domicile of the issuer of the underling for each underling]*

ISIN of the Reference Item *[if the ISIN is not available, then an alternative unique identifier is required]*

[[] *Insert ISIN or alternative unique identifier for each Reference Item]*

Information on what source of the Reference Item's price is used as a basis for the price of the Notes

¹ Include this in case of SIX Swiss Exchange listing.

[[] *If the Reference Item(s) is/are trading on a stock exchange, the name of this exchange must be given. Information must otherwise be given on where the price-setting mechanism for the Reference Item(s) is/are available to the public*]

Information on which price for the Reference Item(s) is material in establishing the price of the Notes

[[] *Insert relevant price, e.g. closing price, arithmetical mean price over a specific period*]

Details of where information on the past performance of the Reference Item(s) can be obtained

[[] *Insert relevant details/sources*]

[Additional information for Notes linked to Equity:]

[if delivery of the Reference Item(s) is planned:] [Transferability of the Reference Item(s), any restrictions on tradability of the Reference Item(s)[, and the type of security]]

[[] *Give information on the transferability of the Reference Item(s), insert any restrictions on tradability of the Reference Item(s), and specify the type of security in the case of shares, e.g. registered paper*]

Information on where the latest annual reports for the issuer of the Reference Item(s) may be obtained free of charge for the term of the Instrument

[[] *Insert relevant details/sources*]

[Additional information for Notes on collective investment schemes (Funds):]

Information on the fund management or issuing company, and details of the composition or investment universe of the relevant collective investment scheme

[[] *Insert information on the fund management or issuing company, and details of the composition or investment universe of the relevant collective investment scheme*]

[The collective investment scheme has been authorised by the Swiss Financial Market Supervisory Authority FINMA for sale in or from Switzerland.] [The collective investment scheme has not been authorised by the Swiss Financial Market Supervisory Authority FINMA for sale in or from Switzerland.]

[Additional information for Notes on Indices:]

Name of the agency that calculates and publishes the Index (index sponsor), and source where information on the method of calculation is available

[[] *Insert relevant index sponsor and the source where information on the method of calculation is available to the public*]

Details of where information on the component securities and any modifications to composition are available

[[] Give details of where information on the [component securities] and any modifications to composition are available to the public, specifically where and when such adjustments are announced]

[The Index is a price index.][The Index is a performance (total return) index.]

[Additional information for Notes on standardised options and futures contracts:]

Contract months, including the duration and the expiry[, or information on the roll-over mechanism]

[[] Insert relevant details re contract months, including the duration and the expiry, or information on the roll-over mechanism, e.g. roll-over to the corresponding front end future contract]

Contract unit and price quotation

[[] Insert contract unit and price quotation]

[Additional information for Notes on baskets of Reference Items:]

Initial fixing plus the percentage [and shares] of the initial weighting of basket securities

[[] Insert initial fixing plus the percentage and, where appropriate, shares of the initial weighting of basket securities]

Permitted parameters for the composition of the basket

[[] if the composition of the basket is subject to predefined or discretionary modifications, then the permitted investment universe must be defined]

TERMS AND CONDITIONS OF THE W&C SECURITIES

The following are the terms and conditions of the W&C Securities, which as supplemented, modified or replaced in relation to any Series of W&C Securities by the applicable Final Terms, will be applicable to each Series of W&C Securities and shall be incorporated by reference in each Global W&C Security and the applicable Final Terms attached thereto. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms.

The W&C Securities (other than the Swiss W&C Securities (as defined below)) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated April 13, 2012 (as further amended, supplemented, restated or replaced, the “**Issue and Paying Agency Agreement**”) and made between Royal Bank of Canada (the “**Issuer**”), The Bank of New York Mellon, London Branch, in its capacities as issuing and principal paying agent and principal certificate and warrant agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such and any additional registrars appointed, if any, in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression “**Paying Agents**” as used herein shall include the Issuing and Paying Agent and any additional agents appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The Holders of W&C Securities governed by English law (including Swiss W&C Securities) are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**” dated April 13, 2012 and made by the Issuer. The original Deed of Covenant is held by a common depositary for the Clearing Systems (as defined below). Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Issuing and Paying Agent or, in the case of the Swiss W&C Securities, the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the W&C Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the W&C Securities.

W&C Securities to be settled in SIX SIS (the “**Swiss W&C Securities**”) are issued pursuant to and in accordance with the Issuing and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement (as further amended, supplemented, restated or replaced, the “**Swiss Supplemental Agency Agreement**”) dated April 13, 2012 and made between the Issuer and BNP Paribas Securities Services, Paris, Zurich Branch (the “**Swiss Programme and Paying Agent**”). Any reference in the Terms and Conditions of the W&C Securities to “Issuing and Paying Agency Agreement” in connection with Swiss W&C Securities shall be deemed to include reference to the Issuing and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement. Copies of the Issue and Paying Agency Agreement and the Swiss Supplemental Agency Agreement are available for inspection during normal business hours and the specified office of

the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the Swiss W&C Securities shall be deemed to have notice of, and shall be bound by, all other provisions of the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement.

The W&C Securities are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of W&C Securities. Each Tranche will be the subject of Final Terms (each, “**Final Terms**”), a copy of which will, subject as provided below, be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and each other Paying Agent. In the case of a Tranche of W&C Securities that is not offered to the public nor admitted to trading on a regulated market in any Member State of the European Union, Iceland, Norway or Liechtenstein (together, the “**European Economic Area**”) in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure nor admitted to trading on the Professional Securities Market, copies of the Final Terms will only be available for inspection by a Holder of such W&C Securities.

References in these Terms and Conditions (the “**Terms and Conditions**” or the “**Conditions**”) to W&C Securities are to W&C Securities of the relevant Series and includes the relevant Global W&C Security.

The applicable Final Terms (the “**Final Terms**”) for W&C Securities supplement these Conditions and may specify other terms and conditions which shall to the extent so specified or to the extent that it is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the W&C Securities. References in these Conditions to the applicable Final Terms are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 12 and forming a single series with the W&C Securities) attached to the Global W&C Security (as defined below).

Royal Bank of Canada, London branch shall undertake the duties of calculation agent (the “**Calculation Agent**”, which expression shall include any successor calculation agent) in respect of the W&C Securities unless another entity is so specified as Calculation Agent in the applicable Final Terms in which case the expression Calculation Agent shall, in relation to such W&C Securities, be such other specified Calculation Agent.

1. Form, Type, Title and Transfer

Type

1.01 The W&C Securities are either redeemable certificates (“**Redeemable Certificates**”), exercisable certificates (“**Exercisable Certificates**”) or warrants (“**Warrants**”) as specified in the applicable Final Terms.

The W&C Securities relate to an index or basket of indices (“**Index Linked W&C Securities**”), a specified currency or basket of currencies (“**Currency Linked W&C Securities**”), a single fund or a basket of funds (“**Fund Linked W&C Securities**”), a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked W&C Securities**”), a single equity security or a basket of equity securities (“**Equity Linked W&C Securities**”) or a

combination of any of the foregoing or any other kind of W&C Security specified in the applicable Final Terms.

1.02 The applicable Final Terms will indicate whether settlement will be by way of cash payment (“**Cash Settled W&C Securities**”) or physical delivery (“**Physical Delivery W&C Securities**”) and whether averaging (“**Averaging**”) will apply to the W&C Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, in respect of Index Linked W&C Securities, Equity Linked W&C Securities and Fund Linked W&C Securities, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled W&C Securities shall be deemed to include references to Physical Delivery W&C Securities, which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request cash settlement of such W&C Security and where settlement is to be by way of cash payment, and references in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery W&C Securities shall be deemed to include references to Cash Settled W&C Securities which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such W&C Security and where settlement is to be by way of physical delivery.

W&C Securities may, if so specified and provided for in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those W&C Securities where the Holder has elected for cash payment will be Cash Settled W&C Securities and those W&C Securities where the Holder has elected for physical delivery will be Physical Delivery W&C Securities. The rights of a Holder as described in this paragraph may be subject to the Issuer’s right to vary settlement if so indicated in the applicable Final Terms.

Form of W&C Securities

1.03 The Final Terms shall specify whether either U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) will apply or whether the TEFRA rules are not applicable. Each Tranche of W&C Securities with an original maturity of more than one year is represented upon issue by a temporary global W&C Security (a “**Temporary Global W&C Security**”), unless the Final Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the applicable Final Terms so specify or where a Tranche of W&C Securities has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global W&C Security (a “**Permanent Global W&C Security**”) and, together with the Temporary Global W&C Security, the “**Global W&C Securities**” and each a “**Global W&C Security**”).

Subject to any applicable laws, definitive W&C Securities will not be issued. In the event that any W&C Securities in definitive form are required by applicable laws to be issued in exchange for interests in the Global W&C Security, the Issuer shall then determine their form as well as any

necessary technical changes required to these Terms and Conditions in consultation with the Issuing and Paying Agent.

On or after the Exchange Date (as specified in the Final Terms), interests in such Temporary Global W&C Security will be exchangeable for a Permanent Global W&C Security, only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such W&C Security are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury Regulations, has been received by the relevant Clearing Systems and the relevant Clearing Systems have given a like certification (based on the certification received) to the Issuing and Paying Agent.

The Holder of a Temporary Global W&C Security shall not (unless, upon due presentation of such Temporary Global W&C Security for exchange (in whole but not in part only) for a Permanent Global W&C Security, such exchange is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) to be entitled to any payment in respect of the W&C Securities represented by each Temporary Global W&C Security which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

Unless the Final Terms specify that TEFRA C Rules are applicable to the W&C Securities and subject to the preceding paragraph, if any date on which a payment of Additional Amounts is due on the W&C Securities of a Tranche occurs while any W&C Securities of that Tranche are represented by a Temporary Global W&C Security, the related Additional Amount payable will be made on the Temporary Global W&C Security only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury Regulations (in the form to be provided), had been received by the relevant Clearing Systems and the relevant Clearing Systems have given a like certification (based on the certification received) to the Issuing and Paying Agent.

1.04 Swiss W&C Securities will be issued in the form of a Permanent Global W&C Security and will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by the deposit of the Permanent Global W&C Security with SIX SIS or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or such other intermediary, the “**relevant Swiss clearing system**”), acting as custodian as defined in article 4 FISA (the “**Custodian**”) and (ii) by the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 FISA. In respect of Swiss W&C Securities, subject to any applicable laws, neither the Issuer nor the Holders of such Permanent Global W&C Security shall at any time have the right to effect or demand the conversion of the Permanent Global W&C Security into, or the delivery of, uncertificated W&C securities or definitive W&C Securities.

Title to W&C Securities

1.05 Each person who is for the time being shown in the records of the Clearing System as the holder of a particular number of W&C Securities (in which regard any certificate or other document issued by the Clearing Systems as to the number of W&C Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of

manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent and any Paying Agent as the holder of such number of W&C Securities for all purposes, and the expression “**Holder**” and related expressions shall be construed accordingly, except that (i) Euroclear shall not be treated as the Holder of any W&C Securities held in an account with Clearstream, Luxembourg on behalf of Euroclear’s accountholders and (ii) Clearstream, Luxembourg shall not be treated as the Holder of any W&C Security held in an account with Euroclear on behalf of Clearstream, Luxembourg’s accountholders.

1.06 Title to Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing System, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, reference to the “**Holders**” of Intermediated Securities herein means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

Notwithstanding the above and anything contrary herein, the Issuer shall make all payments and/or delivery of Entitlements due to the Holders under the Swiss W&C Securities to the Swiss Programme and Paying Agent and, upon receipt by the Swiss Programme and Paying Agent of the due and punctual payment of such funds and or delivery of Entitlements in Switzerland, shall be discharged from its obligations to the Holders under such W&C Securities to the extent that such funds and/or Entitlement have been received by the Swiss Programme and Paying Agent as of such date.

Transfers

1.07 All transactions (including permitted transfers of W&C Securities) in the open market or otherwise must be effected through an account at a Clearing System, subject to and only in accordance with the then current rules and procedures of such Clearing System, as the case may be. Title (other than in the case of Intermediated Securities) will pass upon registration of the transfer in the books of each Clearing System. Title to Intermediated Securities will pass in accordance with the Rules.

The number of W&C Securities which may be transferred by a Holder must be equal to the Minimum Trading Size and any integral multiple thereof or of such other number, each as specified in the applicable Final Terms.

2. Status of the W&C Securities

2.01 W&C Securities constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (including its deposit liabilities), except as otherwise prescribed by law.

3. Definitions

3.01 For the purposes of these Terms and Conditions, the following general definitions will apply:

“Actual Exercise Date” means, in respect of Exercisable Certificates and Warrants, the Exercise Date (in the case of European Style W&C Securities), or, subject to Condition 22.09 (B), the date during the Exercise Period on which the Exercisable Certificate or Warrant is actually or is deemed exercised (in the case of American Style W&C Securities) (as more fully set out in Condition 21.01) or the date on which the Exercisable Certificate or Warrant is actually or is deemed exercised (in the case of Open-Ended W&C Securities).

“Affiliate” means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer or any entity under common control with the Issuer. As used herein, **“control”** means ownership of a majority of the voting power (or, in the case of Condition 33, shares, units or interests) of an entity and **“controlled by”** and **“controls”** shall be construed accordingly.

“Business Day” means (a) a day (other than a Saturday or Sunday) (i) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and the relevant Business Day Centre(s) specified in the applicable Final Terms and (ii) on which each Clearing System is open for business and (b) for the purposes of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open.

“Cash Settlement Amount” means, in relation to a Cash Settled W&C Security, the amount (which may never be less than zero) which the Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in the Settlement Currency in relation to each such W&C Security, or, in the case of Exercisable Certificates or Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provision set out in the applicable Final Terms. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised or redeemed at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities. If a Protection Amount is specified in the applicable Final Terms, the Cash Settlement Amount will, subject to the applicable Final Terms, at the stated Redemption Date or Settlement Date, as the case may be, be no less than the amount specified as such in the applicable Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that W&C Securities are redeemed or cancelled prior to their stated Redemption Date or Settlement Date, as the case may be.

“Clearing System” means Euroclear and/or Clearstream, Luxembourg or SIS SIX or such further or alternative clearing system approved by the Issuer and the Issuing and Paying Agent as specified in the applicable Final Terms.

“Clearstream, Luxembourg” means Clearstream Banking, *société anonyme*.

“Entitlement” means, as specified in the applicable Final Terms, in relation to a Physical Delivery W&C Security, or, in the case of an Exercisable Certificate or Warrant, if Units are specified in the

applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in respect of each such W&C Security or Unit, as the case may be, following payment of the Expenses and (in the case of Warrants) the Exercise Price, rounded down as provided in Condition 21.05 or 25.01, as determined by the Calculation Agent including any documents evidencing such Entitlement.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**FATCA**” means Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended (including the United States Treasury regulations and other guidance issued and any agreements entered into thereunder).

“**FATCA Withholding Tax Rules**” means as (i) any tax imposed under FATCA and (ii) any tax imposed by any jurisdiction pursuant to an intergovernmental agreement to improve tax compliance and to implement FATCA entered into between any relevant authorities on behalf of the United States and such jurisdiction.

“**Hedging Entity**” means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Index, Equity, Fund Interest or Fund Share, as the case may be, in respect of the Issuer’s obligations under the W&C Securities.

“**Italian Listed Certificates**” means Italian Listed Exercisable Certificates or Italian Listed Redeemable Certificates.

“**Italian Listed Exercisable Certificates**” means any Exercisable Certificates which are Cash Settled W&C Securities and which are specified as such in the applicable Final Terms and for which it is intended to seek admission to listing on the regulated markets organised and managed by Borsa Italiana S.p.A.

“**Italian Listed Redeemable Certificates**” means any Redeemable Certificates which are Cash Settled W&C Securities and which are specified as such in the applicable Final Terms and for which it is intended to seek admission to listing on the regulated markets organised and managed by Borsa Italiana S.p.A.

“**Minimum Trading Size**” has the meaning ascribed to it in the applicable Final Terms.

“**Redemption Date**” has the meaning ascribed to it in the applicable Final Terms.

“**Renouncement Notice**” has the meaning given in Condition 21.08 (Exercise Rights in respect of Italian Listed Exercisable Certificates).

“**Settlement Date**” has the meaning ascribed to it in the applicable Final Terms.

“**SIX SIS**” means SIX SIS AG.

4. General Provisions relating to Physical Settlement

4.01 The provisions of Conditions 4.01, 4.02 and 4.03 apply to all W&C Securities.

Settlement Disruption

4.02 If, following the exercise or upon redemption of Physical Delivery W&C Securities in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as

defined below) having occurred and continuing on any Settlement Date or Redemption Date, as the case may be, then such Settlement Date or Redemption Date, as the case may be, for such W&C Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Securities or Units, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date or Redemption Date, as the case may be, shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date or Redemption Date, as the case may be, for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date or Redemption Date, as the case may be. In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant W&C Securities or Units, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Holder shall be entitled to any payment in respect of the relevant W&C Security or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“Disruption Cash Settlement Price” in respect of any relevant W&C Securities or Unit, as the case may be, shall be the fair market value of such W&C Securities or Unit, as the case may be, (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Issuer in its sole and absolute discretion plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

“Settlement Business Day” has the meaning ascribed to it in the applicable Final Terms.

“Settlement Disruption Event” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

Failure to Deliver due to Illiquidity

4.03 If “**Failure to Deliver due to Illiquidity**” is specified as applicable in the applicable Final Terms and, following exercise or upon redemption of Physical Delivery W&C Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver due to Illiquidity**”), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date or Redemption Date, as the case may be and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Securities or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that the provisions of this Condition 4.03 apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” means, in respect of any relevant W&C Security or Unit, as the case may be, the fair market value of such W&C Security or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

Issuer’s Option to Vary Settlement

4.04 In the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the W&C Securities, upon a valid exercise or a redemption of W&C Securities in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such W&C Security or Unit, as the case may be, elect not to pay the relevant Holders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date or Redemption Date, as the case may be, to the relevant Holders, as the case may be. Notification of such election will be given to Holders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date (in the case of Exercisable Certificates or Warrants) or the second Business Day immediately preceding the Redemption Date (in the case of Redeemable Certificates).

General provisions relating to Settlement

4.05 None of the Issuer, the Calculation Agent or the Issuing and Paying Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

Exercise or redemption of the W&C Securities, as applicable, is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date or Redemption Date, as the case may be, and none of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in relation to the performance of their duties in relation to the W&C Securities.

The purchase of W&C Securities does not confer on any holder of such W&C Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

5. Illegality and Early Cancellation for Tax Reasons

Illegality

5.01 If the Issuer determines in good faith that the performance of its obligations under the W&C Securities or that any arrangements made to hedge the Issuer's obligations under the W&C Securities have become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer having given not less than ten (10) nor more than 30 days' notice to Holders in accordance with Condition 10 (which notice shall be irrevocable) may, on expiry of such notice, cancel (in the case of Exercisable Certificates or Warrants) or redeem (in the case of Redeemable Certificates) the W&C Securities.

Should any one or more of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels (in the case of Exercisable Certificates or Warrants) or redeems (in the case of Redeemable Certificates) the W&C Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each W&C Security or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such illegality, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

Early Cancellation for Taxation Reasons

5.02 If, (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of W&C Securities issued by a Branch of Account (as defined in Condition 14.01) of the Issuer

outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such W&C Securities or any other date specified in the applicable Final Terms, the Issuer would be required to pay extra amounts as provided in Condition 11.03, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of W&C Securities paying Additional Amounts at a floating rate, on an Additional Amount Payment Date) to the Holders of the W&C Securities in accordance with Condition 10 (which notice shall be irrevocable), cancel (in the case of Exercisable Certificates or Warrants) or redeem (in the case of Redeemable Certificates) all (but not some only) of the outstanding W&C Securities, provided, however, that no such notice of cancellation or redemption may be given earlier than 90 days (or, in the case of W&C Securities paying Additional Amounts at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current Additional Amount Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the W&C Securities then due.

The Issuer may not exercise such option in respect of any W&C Security which is the subject of either a prior exercise by the Holder thereof or an automatic exercise (in the case of Exercisable Certificates and Warrants) or the prior exercise by the Holder of its option to require the redemption of such Certificate under Condition 25.04 (in the case of Redeemable Certificates).

If the Issuer cancels (in the case of Exercisable Certificates or Warrants) or redeems (in the case of Redeemable Certificates) the W&C Securities then the Issuer will pay an amount to each Holder in respect of each W&C Security or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such cancellation (in the case of Exercisable Certificates or Warrants) or redemption (in the case of Redeemable Certificates), together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

6. Events of Default

6.01 The following events or circumstances (each, and “**Event of Default**”) shall be acceleration events in relation to the W&C Securities of any Series, namely:

(i) the Issuer fails to pay any Cash Settlement Amount or deliver any Entitlement in respect of the W&C Securities of the relevant Series or any of them on the settlement date or due date for payment thereof or fails to pay any Additional Amount in respect of the W&C Security of the relevant Series or any of them within 30 days of the due date for payment thereof; or

(ii) if the Issuer shall have come insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself.

6.02 If any Event of Default shall occur, any Holder may, by notice given to the Issuing and Paying Agent through the relevant Clearing Systems in such manner as the Issuing and Paying Agent and the relevant Clearing Systems may approve for this purpose, declare such W&C Security to be immediately cancelled (in the case of Exercisable Certificates and Warrants) or repayable (in the case of Redeemable Certificates) whereupon an amount equal to the fair market value of such W&C Security or Unit, as the case may be, shall become immediately due and repayable notwithstanding the Event of Default, together with accrued Additional Amounts (if applicable), less the cost to the Issuer and/or the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price all as determined by the Calculation Agent in its sole and absolute discretion, unless, prior thereto, all Events of Default in respect of such W&C Security shall have been cured.

7. Purchases

The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase W&C Securities at any price in the open market or by tender or private treaty. Any W&C Securities so purchased may be held or resold or surrendered for cancellation.

8. Payments – Unavailability of Settlement Currency

Unless specified otherwise in the applicable Final Terms, if the Settlement Currency is a currency other than euro and on or around a due date for payment under the W&C Securities, the Calculation Agent determines that the Settlement Currency is not available on the foreign exchange markets due to the imposition of exchange controls, the Settlement Currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the "**Euro FX Rate**") at which the Settlement Currency is offered in exchange for euro in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the Settlement Currency will be payable.

9. The Issuing and Paying Agent, Calculation Agent, Paying Agents, Determinations, Modifications and Meeting Provisions

9.01 The initial Issuing and Paying Agent and its initial specified office is specified at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent or the Calculation Agent and to appoint additional

Paying Agents or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, and (iii) so long as the W&C Securities are admitted to trading and/or listed on any stock exchange or admitted to trading or listing by another relevant authority, a Paying Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority. The Paying Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Paying Agent and Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 10.

9.01a The Swiss Programme and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swiss Programme and Paying Agent provided that the Issuer shall at all times maintain a Swiss Programme and Paying Agent authorised to act in such capacity. Notice of all changes in the identity or specified offices of the Swiss Programme and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 10.

9.02 The Paying Agents act solely as agent of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, does not assume any obligations towards or relationship of agency or trust for any Holder of any W&C Security and shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

9.03 In relation to each issue of W&C Securities, the Calculation Agent (whether it be the Royal Bank of Canada, London branch or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the W&C Securities by the Calculation Agent shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, the Issuing and Paying Agent and the Holders. The Calculation Agent shall promptly notify the Issuer and the Issuing and Paying Agent upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Issuing and Paying Agent or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a suitably competent third party of good standing as it deems appropriate.

Determinations

9.04 Any determination made by the Calculation Agent pursuant to these Terms and Conditions shall (save in the case of proven or manifest error) be final, conclusive and binding on the Issuer and the Paying Agents and the Holders.

Modifications and Meetings Provisions

9.05 The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of the W&C Securities to consider any matter affecting their interest, including

(without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of the W&C Securities will be binding on all Holders of the W&C Securities, whether or not they are present at the meeting, except that without the consent and affirmative vote of each Holder of the W&C Securities, no Extraordinary Resolution may: (i) amend the Redemption Date, Exercise Date or Exercise Period or any Additional Amount Payment Date (as applicable) in respect of the W&C Securities (ii) reduce or cancel the Cash Settlement Amount or the Entitlement (as applicable), (iii) reduce any Additional Amount payable, (iv) subject to any applicable redenomination provisions specified in the Final Terms, change the Settlement Currency, (v) modify the provisions concerning the quorum required at any meeting of Holders of the W&C Securities or the majority required to pass an Extraordinary Resolution or (vi) modify or eliminate any of items (i) through (v), inclusive above unless passed at a meeting of the Holders of the W&C Securities (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

The Issuer may, with the consent of the Issuing and Paying Agent, but without the consent of the Holders of the W&C Securities, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of W&C Securities, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein. Subject as aforesaid, no other modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Issue and Paying Agency Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the W&C Securities.

10. Notices

All notices to Holders shall be valid: (i) if delivered to each Clearing System for communication by them to the Holders; and (ii) if and so long as the W&C Securities are admitted to trading on, and listed on any stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority.

Any such notice shall be deemed to have been given on the second Business Day following such publication or delivery.

All notices regarding Swiss W&C Securities listed on the SIX Swiss Exchange to be made to Holders will be additionally given through the online information system of the SIX Swiss Exchange, by publishing on the SIX Swiss Exchange's website as provided for in the rules of SIX Swiss Exchange.

The SIX Swiss Exchange's designated website is:

http://www.sixexchangeregulation.com/publications/communiqués/official_notices_en.html.

11. Expenses and Taxation

11.01 Subject to Condition 11.03 below, a Holder of W&C Securities must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement or redemption (as applicable) of such W&C Securities and/or, if applicable, the delivery of the Entitlement pursuant to the terms of such W&C Securities (together “**Expenses**”).

11.02 Subject to Condition 11.03 below, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any W&C Security by any person and all payments or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

11.03 Taxation

(i) All amounts payable in respect of the W&C Securities will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied (i) by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of W&C Securities issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to the FATCA Withholding Tax Rules, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to the FATCA Withholding Tax Rules). In that event, but in the case of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) only (and the applicable Final Terms will indicate whether the Exercisable Certificates evidence deposit liabilities under the *Bank Act* (Canada)), the Issuer will pay such extra amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the amounts which would have been received in respect of such Certificates, in the absence of such withholding or deduction; except that no extra amounts shall be payable with respect to any payment in respect of any such Certificate:

- (w) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Certificate; or
- (x) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or

- (y) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (z) where such withholding or deduction is required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA.
- (ii) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 5.02 and Condition 11.03 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).
- (iii) Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the W&C Securities shall be deemed to include (x) the delivery of any Entitlements and (y) any extra amounts which may be payable under this Condition 11.03.

12. Further Issues

The Issuer may from time to time, without the consent of the Holders, create and issue further W&C Securities so as to be consolidated with and form a single series with the outstanding W&C Securities of a particular Series.

13. Currency Indemnity

Subject to Condition 8, the Settlement Currency is the sole currency of account and payment for all sums payable by the Issuer in respect of the W&C Securities or Units, as the case may be, including damages. Any amount received or recovered in a currency other than the Settlement Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a W&C Security or Unit, as the case may be, in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Settlement Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Settlement Currency expressed to be due to any Holder of a W&C Security or Unit, as the case may be, in respect of such W&C Security or Unit, as the case may be, the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a W&C Security or Unit, as the case may be, and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the W&C Securities or Units, as the case may be, or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a W&C Security or Unit, as the case may be, and no proof or evidence of any actual loss will be required by the Issuer.

14. Branch of Account

14.01 This Condition 14 applies only to Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada). For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Final Terms shall be the branch of account (the “**Branch of Account**”) for the deposit liabilities under the *Bank Act* (Canada) evidenced by the relevant Redeemable Certificates and Exercisable Certificates. If not specified in the applicable Final Terms, the Branch of Account for such Redeemable Certificates and Exercisable Certificates will be the main branch of the Issuer in Toronto. Such Redeemable Certificates and Exercisable Certificates will be paid without the necessity of first being presented for payment at the Branch of Account. Redeemable Certificates and Exercisable Certificates issued by a Branch of Account are obligations of the Bank.

14.02 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposit liabilities under the *Bank Act* (Canada) evidenced by the W&C Security, upon not less than seven days’ prior notice to the Holders given in accordance with Condition 10 and upon and subject to the following terms and conditions:

- (i) if the W&C Security is payable in Yen, the Branch of Account shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the holder of the W&C Security against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments on the W&C Securities to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a holder of a W&C Security of this Series who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a W&C Security of this Series as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payments on the W&C Securities for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

15. Adjustments for European Monetary Union

15.01 The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Securities shall be redenominated in euro.

The election will have effect as follows:

- (a) where the Settlement Currency of the W&C Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Securities will be made solely in euro as though references in the W&C Securities to the Settlement Currency were to euro;
 - (b) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and
 - (c) such other changes shall be made to these Terms and Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Weighting and/or (in the case of Warrants) the Exercise Price and/or any other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or (in the case of Warrants) the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, neither the Issuer, any of its Affiliates or agents nor the Calculation Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In these Conditions, the following expressions have the following meanings:

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community

regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

“euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“National Currency Unit” means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

“Treaty” means the treaty on the Functioning of the European Union, as amended.

16. Contracts (Rights of Third Parties) Act 1999

In the case of English Law W&C Securities (as defined below), the W&C Securities do not confer on any third party any rights under the *Contracts (Rights of Third Parties) Act 1999* (the “Act”) to enforce any term of the W&C Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

16A. Prescription

16A.01 In respect of W&C Securities governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, claims against the Issuer for payment or delivery in respect of the W&C Securities shall become void unless made within two years from the relevant due date for payment or delivery and no claims shall be made after such date.

16A.02 In respect of W&C Securities governed by English law, claims against the Issuer for payment or delivery in respect of the W&C Securities shall become void unless made within five years from the relevant due date for payment or delivery and no claims shall be made after such date.

17. Law and Jurisdiction

17.01 The Issue and Paying Agency Agreement and, unless otherwise specified in the applicable Final Terms, the W&C Securities and the Global W&C Securities and any non-contractual obligations arising out of or in connection therewith are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

17.02 If specified in the applicable Final Terms, the W&C Securities and the Global W&C Securities and any non-contractual obligations arising out of or in connection therewith shall be governed by, and shall be construed in accordance with, English law (such W&C Securities, “English Law W&C Securities”).

17.03 The Swiss W&C Securities and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law.

17.04 In the case of English Law W&C Securities, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the W&C Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the W&C Securities) and accordingly any legal action or proceedings arising out of or in connection with the

W&C Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the W&C Securities) (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of the W&C Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably agrees that service of process in any such Proceedings in England shall be deemed completed on delivery to its London branch at Riverbank House, 2 Swan Lane, London EC4R 3BF, England (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 10. Nothing shall affect the right to serve process in any other manner permitted by law.

18. Terms applicable to Exercisable Certificates and Warrants only

Conditions 19, 20, 21, 22 and 23 apply to Exercisable Certificates and Warrants only.

19. Definitions (Exercisable Certificates and Warrants)

For the purposes of the Exercisable Certificates and Warrants:

“**Exercise Business Day**” means a day that is a Business Day and, in the case of an Index Linked W&C Security or Equity Linked W&C Security, a Scheduled Trading Day; and

“**In-The-Money**” means

- (a) in the case of a Cash Settled W&C Security, the Cash Settlement Amount in respect of such W&C Security; or
- (b) in the case of a Physical Delivery W&C Security, the value of the Entitlement on the Actual Exercise Date for such W&C Security less (in the case of Warrants) the Exercise Price,

is in each case greater than zero.

20. Type (Exercisable Certificates and Warrants)

The applicable Final Terms will indicate whether the Exercisable Certificates or Warrants are American style W&C Securities (“**American Style W&C Securities**”), European Style W&C Securities (“**European Style W&C Securities**”), open-ended W&C Securities (“**Open-Ended W&C Securities**”) or such other type as may be specified in the applicable Final Terms and whether automatic exercise (“**Automatic Exercise**”) applies to the Exercisable Certificates or Warrants and whether the Exercisable Certificates or Warrants may only be exercised in Units. If Automatic Exercise is specified in the applicable Final Terms in respect of Cash Settled W&C Securities, the applicable Final Terms will specify whether Delivery of Exercise Notice is applicable. If Units are specified in the applicable Final Terms, Exercisable Certificates or Warrants, as the case may be must be exercised in Units and any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and of no effect.

21. Exercise Rights (Exercisable Certificates and Warrants)

Exercise Period

American Style W&C Securities

21.01 American Style W&C Securities are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified in the applicable Final Terms any such American Style W&C Security with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the last Exercise Business Day of the Exercise Period (the “Expiration Date”), shall become void.

If Automatic Exercise is specified in the applicable Final Terms any such American Style W&C Security with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent “In-The-Money” will be exercised by the Calculation Agent on behalf of the relevant Holder on the Expiration Date and (i) in the case of Cash Settled W&C Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, or (ii) in the case of Physical Delivery W&C Securities, the provisions of Condition 22.08 shall apply (such an exercise an “**Automatic Exercise**” and references to “**automatically exercised**” shall be construed accordingly).

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate), to Euroclear or Clearstream, Luxembourg or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, as the case may be, and, a copy thereof is delivered to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent, in each case as provided in Condition 22, or, if Automatic Exercise is specified in the applicable Final Terms and the W&C Securities are automatically exercised on the Expiration Date as provided above, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”. If any such Exercise Notice is received by Euroclear or Clearstream, Luxembourg, or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, as the case may be, or if a copy thereof is delivered to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent, in each case, after 10.00 a.m., Brussels or Luxembourg time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such W&C Securities in respect of which no Exercise Notice has been delivered in the manner set out in Condition 22 at or prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii) if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are automatically exercised on the Expiration Date in accordance with this provision.

European Style Exercisable Certificates and Warrants

21.02 This paragraph 21.02 applies only to Exercisable Certificates and Warrants:

European Style Exercisable Certificates and Warrants are only exercisable on the Exercise Date.

If Automatic Exercise is not specified in the applicable Final Terms, any European Style Exercisable Certificate or Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate) on the Exercise Date, shall become void. If Automatic Exercise is specified in the applicable Final Terms, any such European Style Exercisable Certificate or Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", will be exercised by the Calculation Agent on behalf of the relevant Holder on the Exercise Date and, (i) in the case of Cash Settled W&C Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Final Terms, or (ii) in the case of Physical Delivery W&C Securities, the provisions of Condition 22.08 shall apply (such an exercise an "**Automatic Exercise**" and references to "**automatically exercised**" shall be construed accordingly).

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Exercisable Certificates or Warrants which are Automatically Exercised on the Exercise Date in accordance with this provision.

Open-Ended W&C Securities

21.03 Open-Ended W&C Securities are exercisable on any Exercise Date. If any such Exercise Notice is received by the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent or if a copy thereof is delivered to the Issuer and, in the case of other than Swiss W&C Securities, the Issuing and Paying Agent, in each case, after 10.00 a.m., Brussels or Luxembourg time (as appropriate), on an Exercise Date, such Exercise Notice will be deemed to have been delivered on the next Exercise Date, which Exercise Date shall be deemed to be the Actual Exercise Date.

Cash Settlement

21.04 In the case of Exercisable Certificates or Warrants which are Cash Settled W&C Securities, each such W&C Security or, if Units are specified in the applicable Final Terms, each Unit, entitles its Holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

Physical Settlement

21.05 If Exercisable Certificates or Warrants are Physical Delivery W&C Securities, each such W&C Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the Exercise Price (in the case of Warrants) and any Expenses or sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, W&C Securities or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of

determining the aggregate Entitlements in respect of such W&C Securities or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment (the “**Cash Adjustment**”) in the Settlement Currency calculated by the Calculation Agent in its sole and absolute discretion or otherwise in the manner specified in the applicable Final Terms shall be paid to the Holder.

Following exercise of an Equity Linked W&C Security or ETF Linked W&C Security which is a Physical Delivery W&C Security, (i) none of the Issuer or the Calculation Agent shall be under any obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members of the Equity Issuer or ETF and (ii) all dividends on the relevant Equities or Fund Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities or Fund Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Equities or Fund Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 22.02(E).

After delivery of the Entitlement and for such period of time after the Settlement Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

All references in this Condition to “Brussels or Luxembourg time” shall, where W&C Securities are cleared through a clearing system other than Clearstream, Luxembourg or Euroclear be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

Issuer Call Option

21.06 If Issuer Call Option is specified as applicable in the applicable Final Terms, the Issuer may having given not less than 10 nor more than 60 days’ notice (or such other Issuer Call Option Notice Period as is set out in the applicable Final Terms) to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style Certificates) in respect of all (but not some only) of the W&C Securities will be brought forward and such W&C Securities will be Automatically Exercised on the Call Option Date. If Call Option Cash Settlement is specified as applicable in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the W&C Securities are not Cash Settled W&C Securities, the W&C Securities shall be deemed to be Cash Settled

W&C Securities and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Final Terms.

If the W&C Securities are Automatically Exercised on the Call Option Date, (i) the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) shall be the Call Option Date, (ii) the provisions of Conditions 22.06 shall apply and (iii) the expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are Automatically Exercised on the Call Option Date in accordance with this provision.

Trigger Early Exercise

21.07 If Trigger Early Exercise is specified as applicable in the applicable Final Terms and a Trigger Early Exercise Event occurs, the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) in respect of all (but not some only) of the W&C Securities will be brought forward and such W&C Securities will be Automatically Exercised on the Trigger Early Exercise Date. If Trigger Early Exercise Cash Settlement is specified as applicable in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the W&C Securities are not Cash Settled W&C Securities, the W&C Securities shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Trigger Early Exercise Cash Settlement Amount specified in the applicable Final Terms.

If the W&C Securities are Automatically Exercised on the Trigger Early Exercise Date, (i) the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) shall be the Trigger Early Exercise Date, (ii) the provisions of Conditions 22.06 shall apply and (iii) the expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are Automatically Exercised on the Trigger Early Exercise Date in accordance with this provision.

Exercise Rights (Italian Listed Exercisable Certificates)

21.08 This paragraph 21.08 applies only to Italian Listed Exercisable Certificates and any other Condition providing otherwise with respect thereto shall not apply:

(a) Automatic Exercise

Italian Listed Exercisable Certificates will be automatically exercised on the Exercise Date in accordance with Condition 21.02. Delivery of Exercise Notice shall not apply.

(b) Fees and Expenses in connection with Exercise, Renoucement and Settlement

Notwithstanding the provisions of Condition 11.01, each Holder of an Italian Listed Exercisable Certificate must pay all taxes and duties relating to such Italian Listed Exercisable Certificate.

Notwithstanding the provisions of Condition 11.02, the Issuer shall be liable for all expenses, including any applicable depository charges, transaction or exercise charges arising from the exercise, settlement and renoucement (as applicable) of Italian Listed Exercisable Certificates. The Issuer shall not otherwise be liable for or obliged to pay any tax, duty or withholding which may arise as a result of the ownership, transfer, exercise (and renoucement, if applicable) or enforcement of Italian Listed Exercisable Certificates and all payments made by the Issuer shall be made subject to any such tax, duty or withholding.

No amounts relating to the cost of unwinding any underlying related hedging arrangements shall be deducted with respect to Italian Listed Exercisable Certificates and the words "less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements)" shall be deemed to be deleted in, *inter alia*, Conditions 5.01, 5.02, 6.02, 29.03, 29.05, 30.02, 30.03, 30.04, 33.05, 33.07 and the definitions of Disruption Cash Settlement Price and Failure to Deliver Settlement Price.

(c) Right to Renounce

The Holder of an Italian Listed Exercisable Certificate may, prior to the Renouncement Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, renounce automatic exercise of such Certificate by the delivery of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to The Bank of New York Mellon (Luxembourg) S.A. Italian Branch, Via Carducci, 31 – 20123, Milan, Italy ("**BNY Italy**").

(d) Delivery of Renouncement Notice

A Renouncement Notice must be delivered by fax to BNY Italy with a copy to the Issuer prior to the Renouncement Cut-off Time specified in the applicable Final Terms. Once delivered a Renouncement Notice shall be irrevocable.

(e) Failure to complete a Renouncement Notice

If, in respect of an Italian Listed Exercisable Certificate the Holder does not deliver a duly completed Renouncement Notice in accordance with the provisions hereof, such Italian Listed Exercisable Certificate shall be automatically exercised in accordance with Condition 21.02.

(f) Paying Agent's discretion

Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Paying Agent (in consultation with the relevant Clearing System in which such Certificates are held) and shall be conclusive and binding on the Issuer and the Holders. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Paying Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Paying Agent.

(g) Discretionary Determinations

In the case of Italian Listed Exercisable Certificates, any determinations to be made by the Calculation Agent or the Issuer will be made in good faith and in a reasonable manner.

22. Exercise Procedure (Exercisable Certificates and Warrants)

Exercise Notices

22.01 Subject as provided in Condition 22.08, Exercisable Certificates and Warrants may only be exercised by delivering in a manner acceptable to the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, an exercise notice (an "**Exercise Notice**") to the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and, in the case of other than

Swiss W&C Securities, the Issuing and Paying Agent in accordance with the provisions of Condition 21 and this Condition including the information set out below:

In the case of Cash Settled W&C Securities, the Exercise Notice shall:

- (A) specify the ISIN and series of the W&C Securities and the number of W&C Securities being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (B) specify the number of the Holder's account at the relevant Clearing System to be debited with the W&C Securities being exercised;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder's account with the W&C Securities being exercised;
- (D) specify the number of the Holder's account at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each W&C Security or Unit, as the case may be, being exercised;
- (E) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, or any other Clearing System, as the case may be, in respect thereof and to pay such Expenses;
- (F) certify that the beneficial owner of each W&C Security being exercised is not a U.S. person (as defined in the Exercise Notice), such W&C Securities were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and
- (G) authorise the production of such certification in applicable administrative or legal proceedings.

22.02 In the case of Physical Delivery W&C Securities, the Exercise Notice shall:

- (A) specify the ISIN and series of the W&C Securities and the number of W&C Securities being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (B) specify the number of the Holder's account at the relevant Clearing System to be debited with the W&C Securities being exercised;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder's account with the W&C Securities being exercised;
- (D) in the case of Warrants, irrevocably instruct the relevant Clearing System, to debit on the Actual Exercise Date a specified account of the Holder with the relevant Clearing System, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);

- (E) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (F) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;
- (G) in the case of Currency Linked W&C Securities only, specify the number of the Holder's account at the relevant Clearing System to be credited with the amount due upon exercise of the W&C Securities;
- (H) certify, *inter alia*, that the beneficial owner of each W&C Security being exercised is not a U.S. person as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, which term is deemed to include any person that does not meet the definition of "Non-United States Person" in Rule 4.7 promulgated by the United States Commodity Futures Trading Commission (the "CFTC") under the United States Commodity Exchange Act, as amended (the "CEA") ("U.S. Person"), such W&C Securities were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and
- (I) authorise the production of such certification in any applicable administrative or legal proceedings.

22.03 If Condition 4.04 applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Issuing and Paying Agent or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent.

Irrevocable Election

22.04 Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the W&C Securities specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such W&C Securities.

Verification of the Holder

22.05 Upon receipt of an Exercise Notice, the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, shall verify that the person exercising

the W&C Securities is the Holder thereof according to the books of the relevant Clearing System. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent, the ISIN and series and the number of W&C Securities being exercised and the account details of the Holder, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each W&C Security or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Settlement Date debit the account of the relevant Holder with the W&C Securities being exercised. If the W&C Securities are American Style W&C Securities or Open-Ended W&C Securities, upon exercise of less than all the W&C Securities constituted by a Global W&C Security, the Common Depositary will, on the instructions of, and on behalf of, the Issuing and Paying Agent, note such exercise on the Schedule to such Global W&C Security and the number of W&C Securities so constituted shall be reduced by the cancellation *pro tanto* of the W&C Securities so exercised.

22.06 Settlement

(a) Cash Settled W&C Securities

The Issuer, through the Issuing and Paying Agent, or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised W&C Security or Unit, as the case may be, to the Holder's account with the relevant Clearing System specified in the relevant Exercise Notice (if applicable), for value on the Settlement Date less any Expenses not already paid.

Payment will be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number of W&C Securities must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

Payments will, without prejudice to the provisions of Condition 11.03, be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 11.03 on account of such withholding.

(b) Physical Delivery W&C Securities

Subject to payment of the aggregate Exercise Prices (in the case of Warrants) and any Expenses with regard to the relevant W&C Securities or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised W&C Security or Unit, as the case may be, (subject to certification as to non-U.S. beneficial ownership) pursuant to the details specified in the Exercise Notice subject as provided in Condition 21.06. The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(c) Physical Delivery W&C Securities – Intermediated Securities

Subject to Condition (b) above, delivery of the Entitlement in respect of Swiss W&C Securities in the form of Intermediated Securities will be made to the Holders subject to Condition 1.06 and in accordance with the rules and procedures applied by SIX SIS from time to time.

22.07 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Clearing System, in consultation with the Issuer and the Issuing and Paying Agent or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, and shall be conclusive and binding on the Issuer, the Issuing and Paying Agent or the Swiss Programme and Paying Agent, as the case may be, and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent and/or the Issuer immediately after being delivered or sent to the relevant Clearing System shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Clearing Systems or in the case of Swiss W&C Securities, of the Swiss Programme and Paying Agent, in consultation with the Issuing and Paying Agent (other than in the case of Swiss W&C Securities) and the Issuer it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System with a copy to the Issuing and Paying Agent (other than in the case of Swiss W&C Securities) and the Issuer.

If Automatic Exercise is not specified in the applicable Final Terms, any W&C Securities (other than Open-Ended W&C Securities) with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 21.01, in the case of American Style W&C Securities, or Condition 21.02, in the case of European Style W&C Securities, shall become void.

The relevant Clearing System shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Issuing and Paying Agent and the Issuer, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Issuing and Paying Agent or the Clearing Systems shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

Automatic Exercise

22.08 This paragraph only applies to W&C Securities (i) (A) if Automatic Exercise is specified in the applicable Final Terms and the W&C Securities are automatically exercised as provided in Condition 21.01 or Condition 21.02 or (B) if the W&C Securities are automatically exercised pursuant to Condition 21.07 and (ii) in the case of Cash Settled W&C Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Final Terms.

In order to receive the Cash Settlement Amount, if the W&C Securities are Cash Settled W&C Securities, or the Entitlement, if the W&C Securities are Physical Delivery W&C Securities, in respect of a W&C Security, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must deliver in a form acceptable to the relevant Clearing System or in the case of Swiss W&C Securities, to the Swiss Programme and Paying Agent, an Exercise Notice to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent on any Business Day until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the day (the “**Cut-Off Date**”) falling

180 calendar days after (i) the Expiration Date, in the case of American Style W&C Securities, or (ii) the Actual Exercise Date, in the case of European Style W&C Securities. The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 22.01 or Condition 22.02, as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-Off Date on which an Exercise Notice is delivered to Euroclear or Clearstream, Luxembourg or the Swiss Programme and Paying Agent, as the case may be, and a copy thereof delivered to the Issuer and the Issuing and Paying Agent is referred to in this Condition as the “**Exercise Notice Delivery Date**”, provided that if the Exercise Notice is delivered to the relevant Clearing System or in the case of Swiss W&C Securities, to the Swiss Programme and Paying Agent, and (other than in the case of Swiss W&C Securities) a copy thereof delivered to the Issuing and Paying Agent at or after 10:00 a.m., Brussels or, Luxembourg time (as appropriate) on a Business Day the Exercise Notice Delivery Date shall be deemed to be the next succeeding Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant W&C Security or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such W&C Securities or Units, as the case may be, shall be (i) in the case of Cash Settled W&C Securities, the fourth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery W&C Securities and subject to Conditions 4.03 and 4.04, the fourth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Condition prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Cut-Off Date, the Issuer’s obligations in respect of such W&C Securities and shall be discharged and no further liability in respect thereof shall attach to the Issuer.

Minimum and Maximum Number of W&C Securities Exercisable

American Style W&C Securities and Open-Ended W&C Securities

22.09 This paragraph 22.09 applies only to American Style W&C Securities or Open-Ended W&C Securities:

- (A) The number of W&C Securities exercisable by any Holder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and of no effect.
- (B) If the Issuer determines that the number of W&C Securities being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such W&C Securities, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such W&C Securities (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such W&C Securities have been attributed with an Actual Exercise Date, provided, however, that in the case of American Style W&C Securities the deemed Actual Exercise Date for any

such W&C Securities which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of W&C Securities are exercised on the same day by Holder(s), the order of settlement in respect of such W&C Securities shall be at the sole discretion of the Issuer.

European Style W&C Securities

22.10 This paragraph 22.10 applies only to European Style W&C Securities:

The number of W&C Securities exercisable by any Holder on any Exercise Date as determined by the Issuer must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and be of no effect.

23. Additional Amounts

Calculation of Additional Amounts

23.01 If so specified in the applicable Final Terms, each W&C Security pays additional amounts from and including the Issue Date at the Additional Amount Rate payable in arrear on each Additional Amount Payment Date.

The additional amount payable in respect of each W&C Security on each Additional Amount Payment Date will amount to the Additional Amount for the Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.

If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of days from and including the most recent Additional Amount Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date (the “**Calculation Period**”) and the Additional Amount Rate Day Count Fraction.

Accrual of Additional Amounts

23.02 Each W&C Security will cease to accrue additional amounts from and including the Additional Amount Cut-Off Date or, if earlier, the date on which the W&C Security is cancelled (the “**Cancellation Date**”), if applicable, in accordance with these Terms and Conditions unless payment of the amount and/or delivery of any Entitlement due on the Settlement Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be.

For the avoidance of doubt, no additional amount on the W&C Security shall accrue beyond (a) the Exercise Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event or (b) the Additional Amount Cut-Off Date, notwithstanding that the Settlement Date may be postponed as provided in the applicable Final Terms.

In the event that an Additional Amount Payment Date is postponed as provided in the applicable Final Terms, no additional amount or other amount shall be payable on the W&C Securities in respect of such delay.

Payment of Additional Amounts

23.03 Where the W&C Securities pay additional amounts as specified in the applicable Final Terms, subject as provided below, the Issuer shall pay or cause to be paid the Additional Amount for each W&C Security in respect of each Additional Amount Period on the relevant Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

The Issuer will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the W&C Security must look solely to such Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

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

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 11.03 on account of such withholding.

Definitions

23.04 “**30/360 (Floating)**” or “**360/360**” or “**Bond Basis**” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“ Y_2 ” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“ M_1 ” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

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

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

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

“**30E/360**” or “**Eurobond Basis**” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31, in which case D₂ will be 30.

“**30E/360 (ISDA)**” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D₂ will be 30.

“**Actual/360**” means the actual number of days in the Additional Amount Period divided by 360.

“**Actual/Actual (ISDA)**” means the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the

actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365).

“Actual/365 (Fixed)” means the actual number of days in the Additional Amount Period divided by 365.

“Additional Amount” means, in respect of each W&C Security and each Additional Amount Period, an amount calculated by the Calculation Agent as follows:

Notional Amount per W&C Security x Additional Amount Rate x Additional Amount Rate
Day Count Fraction.

“Additional Amount Period” means the period commencing on (and including) the Issue Date to (but excluding) the first Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) and each period commencing on (and including) an Additional Amount Accrual Date to (but excluding) the next following Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) or the Calculation Period, as the case may be.

24. Terms applicable to Redeemable Certificates only

Conditions 25, 26 and 27 inclusive apply to Redeemable Certificates only.

25 Redemption (Redeemable Certificates)

25.01 Redeemable Certificates shall be redeemed on the Redemption Date. If the Redeemable Certificates are Cash Settled W&C Securities, each such Redeemable Certificate entitles its Holder to receive from the Issuer on the Redemption Date the Cash Settlement Amount. If the Redeemable Certificates are Physical Delivery W&C Securities, each such Redeemable Certificate entitles its Holder, subject to certification as to non-U.S. beneficial ownership and to the provisions of Condition 26.01, to receive from the Issuer on the Redemption Date the Entitlement subject to payment of any Expenses. The method of delivery of the Entitlement is set out in the applicable Final Terms.

If (i) the date for payment of any amount in respect of the Redeemable Certificates is not a Business Day, the Holder shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of the Entitlement in respect of the Redeemable Certificates is not a Settlement Business Day, the Holder shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

Unless otherwise specified in the applicable Final Terms, Redeemable Certificates (other than Swiss W&C Securities) of the same Holder redeemed and in respect of which a Collection Notice (as defined below) has been duly given as provided in Condition 26.01, will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Redeemable Certificates, provided that the aggregate Entitlements will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment (the **“Cash Adjustment”**) calculated by the Calculation Agent in its sole and absolute discretion or otherwise in the manner specified in the applicable Final Terms shall be paid to the Holder.

Following redemption of an Equity Linked W&C Security or ETF Linked W&C Security which is a Physical Delivery W&C Security, (i) none of the Issuer or the Calculation Agent shall be under any obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members or shareholders of the Equity Issuer or ETF and (ii) all dividends on the relevant Equities or Fund Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities or Fund Shares executed on the Redemption Date and to be delivered in the same manner as such relevant Equities or Fund Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Collection Notice as referred to in Condition 26.01(E).

After delivery of the Entitlement and for such period of time after the Redemption Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

Issuer Call Option

25.02 If Issuer Call Option is specified as applicable in the applicable Final Terms the Issuer may, having given not less than 10 nor more than 60 days’ notice (or such other Issuer Call Option Notice Period as is set out in the applicable Final Terms) to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Redemption Date for all (but not some only) of the Redeemable Certificates be brought forward to the Call Option Date. If Call Option Cash Settlement is specified as applying in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Final Terms.

Trigger Early Redemption

25.03 If Trigger Early Redemption is specified as applicable in the applicable Final Terms and a Trigger Early Redemption Event occurs, the Redemption Date for all (but not some only) of the Redeemable Certificates will be brought forward to the Trigger Early Redemption Date. If Trigger Early Redemption Cash Settlement is specified as applicable in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Trigger Early Redemption Cash Settlement Amount specified in the applicable Final Terms.

Holder Put Option

25.04 If Holder Put Option is specified as applicable in the applicable Final Terms, a Holder may, by giving not less than 10 nor more than 60 days' notice (or such other Holder Put Option Notice Period as is set out in the applicable Final Terms) as set out below elect to bring forward the Redemption Date for his Redeemable Certificates to the Put Option Date set out in the relevant Put Notice (as defined below). If Put Option Cash Settlement is specified as applying in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount for the relevant Redeemable Certificates shall be the Put Option Cash Settlement Amount specified in the applicable Final Terms.

In order to exercise the right to bring forward the Redemption Date of a Redeemable Certificate the Holder must deliver in a form acceptable to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, a duly completed notice of exercise (a "**Put Notice**") in the form set out in the Issue and Paying Agency Agreement to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent. Copies of the Put Notice are available at the specified offices of the Paying Agents. Once delivered a Put Notice shall be irrevocable and the Redeemable Certificates the subject of such notice may not be transferred.

Redemption (Italian Listed Redeemable Certificates)

25.05 This paragraph 25.05 applies to Italian Listed Redeemable Certificates and in the event of a conflict with any other Condition, such other Condition shall not apply.

(a) Redemption

Italian Listed Redeemable Certificates will be redeemed on the Redemption Date. The provisions of Conditions 25.01, 25.02, 25.03, 25.04 and 26 shall apply to Italian Listed Redeemable Certificates, as applicable.

(b) Fees and Expenses in connection with Redemption and Settlement

Notwithstanding the provisions of Condition 11.01, each Holder of an Italian Listed Redeemable Certificate must pay all taxes and duties relating to the such Italian Listed Redeemable Certificate.

Notwithstanding the provisions of Condition 11.02, the Issuer shall be liable for all expenses, including any applicable depositary charges or transaction charges arising from the settlement or renouncement (as applicable) of Italian Listed Redeemable Certificates. The Issuer shall not otherwise be liable for or obliged to pay any tax, duty or withholding which may arise as a result of the ownership, transfer, redemption or enforcement of Italian Listed Redeemable Certificates and all payments made by the Issuer shall be made subject to any such tax, duty or withholding.

Notwithstanding anything to the contrary in the Conditions, no amounts relating to the cost of unwinding any underlying related hedging arrangements shall be deducted with respect to Italian Listed Redeemable Certificates and the words "less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements)" shall be deemed to be deleted in, *inter alia*, Conditions 5.01, 5.02, 6.02,

29.03, 29.05, 30.02, 30.03, 30.04, 33.05, 33.07 and the definitions of Cash Settlement Price and Failure to Deliver Settlement Price.

(c) **Discretionary Determinations**

In the case of Italian Listed Redeemable Certificates, any determinations to be made by the Calculation Agent or the Issuer will be made in good faith and in a reasonable manner.

26. Collection Notices and Settlement (Redeemable Certificates)

Collection Notices

26.01 In order to receive the Entitlement in respect of a Redeemable Certificate (other than Swiss W&C Securities), the relevant Holder must provide in a form acceptable to the relevant Clearing System, a collection notice (a “**Collection Notice**”) to the relevant Clearing System with a copy to the Issuer and the Issuing and Paying Agent, not later than 10.00 am Brussels or Luxembourg time (as appropriate) on the date falling two Business Days prior to the Redemption Date (the “**Cut-Off Date**”).

The Collection Notice shall:

- (A) specify the ISIN and series of the Redeemable Certificates and the number of Redeemable Certificates the subject of such Collection Notice;
- (B) specify the number of the Holder’s account at the relevant Clearing System to be debited with the Redeemable Certificates the subject of such Collection Notice;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Redemption Date the Holder’s account with the Redeemable Certificates the subject of such Collection Notice;
- (D) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (E) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder’s account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
- (F) in the case of Currency Linked W&C Securities only, specify the number of the Holder’s account at the relevant Clearing System to be credited with the amount due upon exercise of the Redeemable Certificates;

- (G) certify, *inter alia*, that the beneficial owner of each Redeemable Certificate which is the subject of such Collection Notice is not a U.S. person (as defined in the Collection Notice), the Redeemable Certificate was not held on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and
- (H) authorise the production of such certification in any applicable administrative or legal proceedings.

26.02 If Condition 4.04 applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from Euroclear or Clearstream, Luxembourg.

Late Delivery and Non-delivery of Collection Notice

26.03 If a Holder so delivers a duly completed Collection Notice after the Cut-Off Date, the Entitlement shall be delivered as soon as practicable after the Redemption Date, provided that if a Holder does not so deliver a duly completed Collection Notice in accordance with this Condition 26.03 prior to the close of business in the place of receipt on the 180th calendar day following the Cut-Off Date, the Issuer's obligations in respect of such Redeemable Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise as a result of such Redemption Date falling after the originally designated Redemption Date and no liability in respect hereof shall attach to the Issuer.

After the delivery of a Collection Notice, the relevant Holder may not transfer the Redeemable Certificates to which the Collection Notice relates.

Verification of the Holder

26.04 Upon receipt of a Collection Notice, the relevant Clearing System shall verify that the person submitting the Collection Notice is the Holder of the relevant Redeemable Certificates according to the books of the relevant Clearing System. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent, the ISIN and series and the number of Redeemable Certificates being exercised, the relevant account details of the Holder (if applicable) and the details for the delivery of the Entitlement in respect of each Redeemable Certificate the subject of the relevant Collection Notice. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Redemption Date debit the account of the relevant Holder with the Redeemable Certificates the subject of the relevant Collection Notice.

Redemption

Cash Settled Redeemable Certificates

26.05 Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Redeemable Certificate by credit or transfer to the Holder's account with the relevant Clearing System for value on the Redemption Date less any Expenses, such

payment to be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number of the Redeemable Certificates must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

Payments will, without prejudice to the provisions of Condition 11.03, be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 11.03 on account of such withholding.

The Cash Settlement Amount is payable as consideration for the use of the Issue Price of the Redeemable Certificates and as compensation in recognition that the Cash Settlement Amount might otherwise have been less than the Issue Price.

Physical Delivery W&C Securities

26.06 Subject to payment of any Expenses with regard to the relevant Redeemable Certificates, the Issuer shall deliver, or procure the delivery of, the Entitlement for each Redeemable Certificate (other than Swiss W&C Securities) in respect of which a valid Collection Notice has been delivered as provided in Condition 26.01 pursuant to the details specified in the Collection Notice subject as provided in Condition 4.

The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

Physical Delivery W&C Securities – Intermediated Securities

26.06a Delivery of the Entitlement in respect of Swiss W&C Securities in the form of Intermediated Securities will be made to the Holders on the due date for such delivery, subject to Condition 1.06 and in accordance with the rules and procedures applied by SIX SIS from time to time.

Determinations

26.07 Any determination as to whether a Collection Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Issuing and Paying Agent and the relevant Holder. Subject as set out below, any Collection Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent and the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, the Issuing and Paying Agent or the Issuer, as applicable, shall be null and void.

If such Collection Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Collection Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuing and Paying Agent and the Issuer.

The Clearing System, in consultation with the Issuing and Paying Agent, shall use its best efforts promptly to notify the Holder submitting a Collection Notice if it has determined that such

Collection Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Issuing and Paying Agent or the Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

27. Additional Amounts

Calculation of Additional Amounts

27.01 If so specified in the applicable Final Terms, each Redeemable Certificate pays additional amounts from and including the Issue Date at the Additional Amount Rate payable in arrear on each Additional Amount Payment Date.

The additional amount payable in respect of each Redeemable Certificate on each Additional Amount Payment Date will amount to the Additional Amount for the Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.

If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of days from and including the most recent Additional Amount Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date (the “**Calculation Period**”) and the Additional Amount Rate Day Count Fraction.

Accrual of Additional Amount

27.02 Each Redeemable Certificate will cease to accrue additional amount from and including the Additional Amount Cut-Off Date or, if earlier, the date on which the Redeemable Certificates are redeemed (the “**Cancellation Date**”), if applicable, in accordance with these Terms and Conditions unless payment of the amount and/or delivery of any Entitlement due on the Redemption Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be.

For the avoidance of doubt, no additional amount on the Redeemable Certificates shall accrue beyond (a) the Redemption Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event or (b) the Additional Amount Cut-Off Date, notwithstanding that the Redemption Date may be postponed as provided in the applicable Final Terms.

In the event that an Additional Amount Payment Date is postponed as provided in the applicable Final Terms, no additional amount or other amount shall be payable on the Redeemable Certificates in respect of such delay.

Payment of Additional Amounts

27.03 Where the Redeemable Certificates pay additional amounts, subject as provided below, the Issuer shall pay or cause to be paid the Additional Amount for each Redeemable Certificate in respect of each Additional Amount Period on the relevant Additional Amount Payment Date by credit or transfer to the Holder’s account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Redeemable Certificates must look solely to the relevant Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

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

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 11.03 on account of such withholding.

Where the Redeemable Certificates pay an Additional Amount, the Additional Amount is payable as consideration for the use of the Issue Price in respect of a Redeemable Certificate and as compensation for and in recognition that the Additional Amount on any or all of the Additional Amount Payment Dates may be equal to zero or less than a commercial rate of return on the Redeemable Certificates and/or that the Cash Settlement Amount and/or value of the Entitlement, as the case may be, may be less than the Issue Price. For the avoidance of doubt, in the event that the Additional Amount for an Additional Amount Payment Date is zero, no amount shall be payable by the Issuer in respect of such Additional Amount Payment Date.

Definitions

27.04 “30/360 (Floating)” or “360/360” or “Bond Basis” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

“30E/360” or “Eurobond Basis” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31, in which case D₂ will be 30.

“**30E/360 (ISDA)**” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D₂ will be 30.

“**Actual/360**” means the actual number of days in the Additional Amount Period divided by 360.

“**Actual/Actual (ISDA)**” means the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the

actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365).

“Actual/365 (Fixed)” means the actual number of days in the Additional Amount Period divided by 365.

“Additional Amount” means, in respect of each Redeemable Certificate and each Additional Amount Period, an amount calculated by the Calculation Agent as follows:

Notional Amount per Redeemable Certificate x Additional Amount Rate x Additional Amount Rate Day Count Fraction.

“Additional Amount Period” means the period commencing on (and including) the Issue Date to (but excluding) the first Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) and each period commencing on (and including) an Additional Amount Accrual Date to (but excluding) the next following Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) or the Calculation Period, as the case may be.

28. Credit Linked W&C Securities

Provisions relating to the redemption of Credit Linked W&C Securities will be set out in the applicable Final Terms.

29. Index Linked W&C Securities

29.01 If the W&C Securities are specified as Index Linked W&C Securities in the applicable Final Terms, then the provisions of this Condition 29 apply.

Adjustments to an Index and Additional Disruption Events

Successor Index Sponsor Calculates and Reports an Index

29.02 If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the **“Successor Index Sponsor”**) acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **“Successor Index”**) will be deemed to be the Index.

Modification and Cessation of Calculation of an Index

29.03 If (x) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or such other date as specified in the applicable Final Terms), the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts and other routine events) (an **“Index Modification”**) or permanently cancels the Index and no Successor Index exists (an **“Index Cancellation”**), or (y) on a Valuation Date, an Observation Date or an Averaging Date (or such other date as specified in the applicable Final Terms), the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **“Index Disruption”** and, together with an

Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”) then the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the W&C Securities and, if so, to calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date or such other date as specified in the applicable Final Terms, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) on giving notice to the Holders in accordance with Condition 10, cancel the W&C Securities. If the W&C Securities are so cancelled, the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Index Adjustment Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

29.04 Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 10 stating the occurrence of an Index Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer will make available for inspection by Holders copies of any such determinations.

29.05 If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(B) give notice to the Holders in accordance with Condition 10 and cancel all, but not some only, of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(C) if the applicable Final Terms provide that “**Index Substitution**” is applicable, then on or after the Additional Disruption Event the Calculation Agent may select one or more indices (each a “**Substitute Index**”) in accordance with the Index Substitution Criteria to substitute in place of the Indices (each an “**Affected Index**”) which are affected by such

Additional Disruption Event and each Substitute Index will be deemed to be an “Index” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

29.06 Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

Correction to an Index

29.07 In the event that any price or level published by the relevant Index Sponsor or Successor Index Sponsor which is utilised for any calculation or determination made for the purposes of the W&C Securities is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the W&C Securities to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor or Successor Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, Settlement Date or the relevant Additional Amount Payment Date to make such adjustment prior to the Redemption Date, Settlement Date or the relevant Additional Amount Payment Date, as the case may be.

29.08 Definitions applicable to Index Linked W&C Securities

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for the purposes of determining the relevant Reference Level. If through the operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then for the purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that

already is or is deemed to be an Averaging Date for the Index Linked W&C Securities; or

- (iii) if 'Modified Postponement' is specified in the applicable Final Terms, then:
- (A) where the W&C Securities relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or
 - (B) where the W&C Securities relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Valid Date in relation to such Affected Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index and (ii) the Calculation Agent shall determine the Reference Level of the Affected Index for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; and
 - (C) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"**Basket of Indices**" means a basket comprising two or more indices specified in the applicable Final Terms in the relevant Weightings specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the W&C Securities (including, without

limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

“Disrupted Day” means (i) where the Index is **not** specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

“Exchange” means, (i) where the Index is **not** specified in the applicable Final Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, in relation to each component security included in that Index (each a **“Component Security”**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day” means, (i) where the Index is **not** specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

“Hedging Disruption” means that the Hedging Entity 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 Index or other price risk of the Issuer issuing and performing its obligations with respect to the W&C Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (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 the relevant securities or other risk of the Issuer issuing and performing its obligations with respect to the W&C Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

“Index” and **“Indices”** mean, subject to adjustment in accordance with Condition 29.02, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

“Index Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

“Initial Level” means, in respect of an Index, the level specified as such in the applicable Final Terms.

“Least Performer” means, with respect to an Exchange Business Day during the Observation Period, the Index in respect of which the following formula yields, in the determination of the Calculation Agent, the smallest positive number if the results of the formula below are positive for all indices comprised in the basket or, if not, the largest negative number, on such Exchange Business Day:

(Reference Level of the Index on the Exchange Business Day minus the Initial Level with respect to such Index) divided by the Initial Level with respect to such Index,

provided that if the above formula yields the same number with respect to two or more Indices the Calculation Agent shall determine the Least Performer.

“Market Disruption Event” means, in respect of an Index:

- (i) where the relevant Index is not specified in the applicable Final Terms as being a Multi-Exchange Index,
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (B) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange(s), or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,
which in either case the Calculation Agent determines is material; or
 - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the

relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

- (ii) where the relevant Index is specified in the applicable Final Terms as being a Multi-Exchange Index either:
 - (a) the occurrence or existence, in respect of any Component Security, of:
 - (x) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (y) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (z) an Early Closure; and
 - (b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
 - (c) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption or (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure.

As used above:

“Early Closure” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange

Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event exists in respect of a Multi-Exchange Index exists at any time if a Market Disruption Event occurs in respect of such Component Security included in the Index at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market “opening data” immediately before the occurrence of such Market Disruption Event.

“Multi-Exchange Index” means an Index identified or specified as such in the applicable Final Terms or, if not so identified or specified, any Index which the Calculation Agent determines to be a Multi-Exchange Index.

“Observation Date(s)” means each date specified as such in the applicable Final Terms, provided that if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the W&C Securities relate to a single Index, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for the Index shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance (and subject to Conditions 29.02, 29.03 and 29.07) with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) where the W&C Securities relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“**Observation Period**” means the period specified as such in the applicable Final Terms.

“**Reference Level**” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Settlement Currency) equal to the official closing level of the Index as calculated and published by the Index Sponsor or Successor Index Sponsor on the relevant date (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 29; and
- (ii) where the W&C Securities are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor or Successor Index Sponsor on the relevant date, (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level

of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 29, multiplied by the relevant Weighting specified in the applicable Final Terms.

“Related Exchange” means, subject to the proviso below, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where ‘All Exchanges’ is specified as the Related Exchange in the applicable Final Terms, ‘Related Exchange’ shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

“Scheduled Averaging Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of that 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.

“Trade Date” means the date specified as such in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where the W&C Securities relate to a single Index, 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 Scheduled Valuation Date is a Disrupted Day. In that case (A) the eighth Scheduled Trading

Day for the Index shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or, if not so set out or not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day (as defined in Condition 30.05 in relation to such security) using the Exchange traded or quoted level as of 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, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) where the W&C Securities relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of 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 (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“**Valuation Time**” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index 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; or

- (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange in respect of such Component Security and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“**Weighting**” means the weight to be applied to each of the Indices comprising the Basket of Indices, as specified in the applicable Final Terms.

30. Equity Linked W&C Securities

30.01 If the W&C Securities are specified as Equity Linked W&C Securities in the applicable Final Terms, the provisions of this Condition 30 shall apply.

Potential Adjustment Events; De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency; Additional Disruption Events and Adjustments for Equity Linked W&C Securities in respect of Non-Euro Quoted Entities

- 30.02** (i) If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so, the Issuer in its sole and absolute discretion shall either:
- (A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms, in each case, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) and (2) determine the effective date of that adjustment; or
- (B) on giving notice to the Holders in accordance with Condition 10, cancel or redeem all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid,

the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 30.02(i)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon making an adjustment pursuant to Condition 30.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment made to the terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such adjustment.

- (ii) If (x) De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applicable in the applicable Final Terms and/or (y) Tender Offer is specified as applicable in the applicable Final Terms, and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Equity, the Issuer in its sole and absolute discretion may:

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of these Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or

- (B) where the Equity Linked W&C Securities relate to a Basket of Equities on giving notice to the Holders in accordance with Condition 10 cancel or redeem each W&C Security in part. If a W&C Security is so cancelled or redeemed in part the portion (the “**Partial Amount**”) of each such W&C Security representing the affected Equity(s) shall be cancelled and the Issuer will (x) pay to each Holder in respect of each W&C Security or Unit,

as the case may be, held by it an amount equal to the fair market value of the Partial Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Terms and Conditions and/or the applicable Final Terms to account for such redemption or cancellation in part. For the avoidance of doubt the remaining part of each such W&C Security after redemption or cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (C) on giving notice to the Holders in accordance with Condition 10, cancel all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.
- (D) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be), the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 30.02(ii) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

- (iii) If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:
- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of these Terms and Conditions and/or the applicable Final Terms, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (B) give notice to the Holders in accordance with Condition 10 and cancel all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
 - (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Additional Disruption Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Additional Disruption Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equity, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be

taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action to be taken.

(iv) Non-Euro Quoted Equities

In respect of Equity Linked W&C Securities relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the W&C Securities. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 30.02(iv) will affect the currency denomination of any payment obligation arising out of the W&C Securities.

(v) Correction of the Prices or Levels of an Equity

In the event that any price or level of an Equity published by an Exchange which is utilised for any calculation or determination made for the purposes of the W&C Securities is subsequently corrected, the corrected level or price is deemed to be the relevant price or level for such Equity, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, the Settlement Date or the Specified Additional Amount Payment Date, as the case may be, to make such adjustment prior to such relevant date.

Partial Lookthrough Depositary Receipt Provisions

30.03 Where the applicable Final Terms specify that the “Partial Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 30.03 shall apply, and, in relation to such Equity, the other provisions of this Condition 30 shall be deemed to be amended and modified as set out in this Condition 30.03.

The definition of “**Potential Adjustment Event**” shall be amended so that it reads as follows:

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other

share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent;

- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, 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 such Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the W&C Securities

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of the terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the W&C 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 Equity), following the Potential Adjustment Event. The Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the cancellation of the W&C Securities, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall cancel all but not some only of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.

The definitions of “**Merger Event**” and “**Tender Offer**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Equity, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of “**Nationalisation**”, “**Insolvency**” and “**De-listing**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it

in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not cancel the W&C Securities and, following such replacement, references to Equities therein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not cancel the W&C Securities and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of “**Insolvency Filing**” shall be amended in accordance with the DR Amendment.

The definition of “**Change in Law**” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 30.03 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

Full Lookthrough Depositary Receipt Provisions

30.04 Where the applicable Final Terms specify that the “**Full Lookthrough Depositary Receipt Provisions**” shall apply to an Equity, then the provisions set out in this Condition 30.04 shall apply, and, in relation to such Equity, the other provisions of this Condition 30 shall be deemed to be amended and modified as set out in this Condition 30.04.

The definition of “**Potential Adjustment Event**” shall be amended so that it reads as follows:

“Potential Adjustment Event” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent;

- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, 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 such Equity Issuer or Underlying Equity Issuer, 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 as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the W&C Securities;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of the terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic

effect on the W&C 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 Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the cancellation of the W&C Securities, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall cancel all but not some only of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.

The definitions of “**Merger Event**” and “**Tender Offer**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Equity, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of “**Nationalisation**”, “**Insolvency**” and “**De-listing**” shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not cancel the W&C Security and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not cancel the W&C Securities, and following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of any Additional Disruption Event specified as applicable in the relevant Final Terms shall be amended in accordance with the DR Amendment.

Each reference to the “**Exchange**” in the definitions of “**Exchange Business Day**”, “**Scheduled Closing Time**”, “**Scheduled Trading Day**”, “**Market Disruption Event**” and “**Disrupted Day**” shall be deemed to include a reference to the primary exchange on which the Underlying Equities are traded, as determined by the Calculation Agent.

The definitions of “**Market Disruption Event**” and “**Related Exchange**” shall be amended in accordance with the DR Amendment. For the avoidance of doubt, where a provision is amended pursuant to this Condition 30.04 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

30.05 Definitions applicable to Equity Linked W&C Securities

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Certificates; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the W&C Securities relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging

Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or

- (B) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Valid Date in relation to such Affected Equity. If the first succeeding Valid Date in relation to such Affected Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity and (ii) the Calculation Agent shall determine the Reference Price of the Affected Equity for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of “Valuation Date” below; or
- (C) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Averaging Date for each Equity shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Equity for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of “Valuation Date” below; and
- (D) “**Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur, and “**Common Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day for any Equity comprised in the Basket of Equities and on which another Averaging Date does not or is deemed not to occur.

“**Basket of Equities**” means a basket composed of the Equities specified in the applicable Final Terms in the relative Weightings or numbers of Equities specified in the applicable Final Terms.

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Equity or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the W&C Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

“De-listing” means, in respect of any relevant Equities, the Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) 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).

If the relevant Equities are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Equities.

“Deposit Agreement” means, in relation to the Equities, the agreements or other instruments constituting the Equities, as from time to time amended or supplemented in accordance with their terms.

“Depository” means, where the relevant Final Terms specifies that (a) the “Partial Lookthrough Depository Receipt Provisions” shall apply to the Equity, the Equity Issuer or any successor issuer of the Equities from time to time or (b) the “Full Lookthrough Depository Receipt Provisions” shall apply to an Equity or the Equity Issuer.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“DR Amendment” means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Final Terms and Market Disruption Event, that the following changes shall be made to such definition or provision where provided for in Condition 30: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.

“DR Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

“Equity” means the share(s) or other securities specified in the applicable Final Terms subject to adjustment in accordance with these Conditions.

“Equity Issuer” means, in respect of an Equity, the issuer of such Equity.

“Equity Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

“Exchange” means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

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

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

“Increased Cost of Hedging” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the W&C Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

“Initial Price” means the price specified as such in the applicable Final Terms.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.

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

“Least Performer” means, with respect to an Exchange Business Day during the Observation Period, the Equity in respect of which the following formula yields, in the determination of the

Calculation Agent, the smallest positive number or the largest negative number, on such Exchange Business Day:

(Reference Price of the Equity on the Exchange Business Day minus the Initial Price with respect to such Equity) divided by the Initial Price with respect to such Equity,

provided that if the above formula yields the same number with respect to two or more Equities the Calculation Agent shall determine the Least Performer.

"Market Disruption Event" means, in respect of an Equity:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) relating to the Equity on the Exchange; or
 - (y) in futures or options contracts relating to the Equity on any relevant Related Exchange; or
 - (B) any event (other than as described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange,
which in either case the Calculation Agent determines is material; or
- (ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (iii) any other event specified in the applicable Final Terms.

"Merger Date" means, the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such

Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is (a) in the case of Cash Settled W&C Securities, on or before the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant W&C Security, or, (b) if the W&C Securities are to be redeemed by Physical Delivery, the relevant Settlement Date or Redemption Date, as the case may be.

“**Nationalisation**” means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Observation Date(s)**” means each date specified as such in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the W&C Securities relate to a single Equity, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Equity shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Observation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set

out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

- (iii) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Observation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an “**Affected Equity**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

“**Observation Period**” means the period specified as such in the applicable Final Terms.

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Equities of (i) such Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights

plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

- (vii) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities.

“Reference Price” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities relate to a single Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 30. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the W&C Securities relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 30, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the applicable Final Terms, any successor to such

exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Final Terms, 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

"Replacement DRs" means depositary receipts other than the Equities over the same Underlying Equities.

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"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.

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

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

"Underlying Equity" means the share(s) or other securities which are the subject of the Deposit Agreement.

"Underlying Equity Issuer" means the issuer of the Underlying Equities.

"Valuation Date" means each date specified as such in the applicable Final Terms or if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the W&C Securities relate to a single Equity, 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 Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading

Day for the Equity shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day;

- (ii) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (A) the eighth Scheduled Trading Day for the Affected Equity shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or
- (iii) where the W&C Securities relate to a Basket of Equities and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Valuation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an “**Affected Equity**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

“**Valuation Time**” means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be in relation to each Equity 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.

“**Weighting**” means the weight to be applied to each of the Equities comprising the Basket of Equities, as specified in the applicable Final Terms.

31. Fund Linked W&C Securities

If the W&C Securities are specified as Fund Linked W&C Securities in the applicable Final Terms, the provisions of Condition 32 shall apply if the Reference Funds are not ETFs (as defined in Condition 33.08) and the provisions of Condition 33 shall apply if the Funds are ETFs.

32. Provisions relating to Funds other than Exchange Traded Funds

Consequences of Fund Events

32.01 “**Fund Event**” means the occurrence of each of a Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

- (i) “**Additional Fund Disruption Event**” means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

“**Change in Law**” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Entity determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Interests, or (y) the Issuer will incur a materially increased cost in performing its obligations under the Fund Linked W&C Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Fund Hedging Disruption**” means that the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked W&C Securities, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (x) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

“**Increased Cost of Hedging**” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked W&C Securities, or (ii) realise, recover or remit the proceeds

of any 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 and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

(ii) **“Fund Disruption Event”** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines that such event is material:

(a) Fund Valuation Disruption: **“Fund Valuation Disruption”** means (x) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (y) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;

(b) Fund Settlement Disruption: **“Fund Settlement Disruption”** means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

(c) **“Fund Extraordinary Event”** means each of the following events:

(A) Nationalisation: **“Nationalisation”** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(B) Insolvency: **“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;

(C) Fund Insolvency Event: **“Fund Insolvency Event”** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the

jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

- (D) NAV Trigger Event: “**NAV Trigger Event**” means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than the NAV Trigger since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (E) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (F) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as

determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;

- (G) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (H) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;
- (I) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be or any other Reporting Disruption Period specified in the applicable Final Terms; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any,

in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

- (J) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (K) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (L) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

32.02 Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Final Terms as it determines in its sole and absolute discretion appropriate to account for the Fund Event, which may include, without limitation:
 - (a) delaying any calculation, determination or related payment date under the W&C Securities until it determines that no Fund Event exists;
 - (b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the “**Affected Fund Interest**”) with one or more replacement fund interests (each a “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Holders in accordance with Condition 10, cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be,

held by it which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the Fund Event, less the cost to Hedging Entity of unwinding any underlying related hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 10 giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

Fund Potential Adjustment Events

32.03 “Fund Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or
- (v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

32.04 Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that

diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 10, stating the adjustment to any of the terms of the Terms and Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

32.05 Definitions (Funds other than Exchange Traded Funds)

“Averaging Date” means, in respect of an Actual Exercise Date or Redemption Date, as the case may be, each date specified as an Averaging Date in the applicable Final Terms.

“Basket of Funds” means a basket composed of the Funds specified in the applicable Final Terms in the relative Weightings or numbers of Funds specified in the applicable Final Terms.

“Fund” means, subject to adjustment in accordance with these Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

“Fund Administrator” means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

“Fund Adviser” means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

“Fund Documents” means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

“Fund Interest” means, subject to adjustment in accordance with these Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

“Fund Redemption Valuation Date” means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Fund Service Provider” means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

“Fund Valuation Date” means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

“Hypothetical Investor” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

“NAV Trigger” means the percentage specified as such in the applicable Final Terms.

“Removal Date” means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

“Removal Value” means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive on the redemption or realisation of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value shall include the amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

“Reporting Disruption Period” means the period specified as such in the applicable Final Terms.

“Scheduled Fund Redemption Valuation Date” means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Scheduled Fund Valuation Date” means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

“Valuation Date” means each Valuation Date specified in the applicable Final Terms.

“Valuation Time” means the time specified in the applicable Final Terms.

“Weighting” means the weight to be applied to each of the Funds comprising the Basket of Funds, as specified in the applicable Final Terms.

33. Provisions relating to Exchange Traded Funds

Market Disruption

33.01 “Market Disruption Event” means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the relevant Fund Share on such Exchange; or
 - (B) relating to securities that comprise 20 percent. or more of the level of the relevant Underlying Index or any relevant successor index; or
 - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or
 - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 percent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange,
which in either case the Calculation Agent determines is material; or
- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange 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 Valuation Time on such Exchange Business Day.

33.02 For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (i) the portion of the level of the relevant Underlying Index attributable to that security, and (ii) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

Potential Adjustment Event

33.03 “Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) such Fund Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the W&C Securities and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation 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 Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Condition 10 stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

De-listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer

33.04 “De-listing” means, in respect of any relevant Fund Share, the Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) 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).

If the relevant Fund Shares are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Fund Shares.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (i) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

“Material Underlying Event” means any of the following:

- (i) the investment objectives and/or policies in respect of the ETF are materially changed;
- (ii) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Hedging Entity in connection with hedging arrangements relating to the W&C Securities are materially reduced or otherwise adversely affected; and/or
- (iv) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the W&C Securities or to the Hedging Entity in connection with any hedging arrangements relating to the W&C Securities,

as determined by the Calculation Agent.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a **“Reverse Merger”**), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

“Nationalisation” means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding shares, units or interests of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which shares, units or interests in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

33.05 If a De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material

Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange; or

- (ii) cancel the W&C Securities by giving notice to Holders in accordance with Condition 10. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security, or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security, or Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

33.06 Correction of the Reference Price

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the W&C Securities is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the W&C Securities to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Fund Share would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, the Settlement Date or the Specified Additional Amount Payment Date, as the case may be, to make such adjustment prior to such relevant date.

Additional Disruption Events

33.07 (a) “Additional Disruption Event” means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

“Change in Law” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) the Issuer will incur a materially increased cost in

performing its obligations in relation to the Fund Linked W&C Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or the Hedging Entity).

“Hedging Disruption” means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked W&C Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked W&C Securities, or (ii) 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 and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

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

(b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) give notice to the Holders in accordance with Condition 10 and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made

in such manner as shall be notified to the Holders in accordance with Condition 10.

- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

33.08 Definitions (Exchange Traded Funds)

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked W&C Securities; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the W&C Securities relate to a single Fund Share, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Fund Share affected by the occurrence

of a Disrupted Day (each an “**Affected Fund Share**”) shall be the first succeeding Valid Date in relation to such Affected Fund Share. If the first succeeding Valid Date in relation to such Affected Fund Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Fund Share and (ii) the Calculation Agent shall determine the Reference Price of the Affected Fund Share for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of “Valuation Date” below; or

- (C) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Fund Share for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of “Valuation Date” below; and
- (D) “**Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur, and “**Common Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day for any Fund Share comprised in the Basket of Fund Shares and on which another Averaging Date does not or is deemed not to occur.

“**Basket of Fund Shares**” means a basket composed of the Fund Shares specified in the applicable Final Terms in the relative Weightings or numbers of Fund Shares specified in the applicable Final Terms.

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**ETF**” means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an exchange traded fund.

“Exchange” means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

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

“Fund Share” means a share of each ETF, and references to “holder of Fund Shares” and “Fund Shareholder” shall be construed accordingly.

“Initial Price” means the price specified as such in the applicable Final Terms.

“Observation Date(s)” means each date specified as such in the applicable Final Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the W&C Securities relate to a single Fund Share, the Observation 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 Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an **“Affected Fund Share”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

- (iii) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Observation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an “**Affected Fund Share**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

“**Observation Period**” means the period specified as such in the applicable Final Terms.

“**Reference Price**” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities relate to a single Fund Share, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 33. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the W&C Securities relate to a Basket of Fund Shares, an amount equal to the sum of the values calculated for each Fund Share as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the

Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 33, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, “Related Exchange” shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

“Scheduled Averaging Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Trade Date” means the date specified as such in the applicable Final Terms.

“Underlying Index” means the underlying index specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the W&C Securities relate to a single Fund Share, 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 Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so

practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day;

- (ii) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is not applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an “**Affected Fund Share**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (A) the eighth Scheduled Trading Day for the Affected Fund Share shall be deemed to be the Valuation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable, determine the Reference Price using, in relation to the Affected Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or
- (iii) where the W&C Securities relate to a Basket of Fund Shares and the applicable Final Terms provide that “Common Disrupted Days” is applicable, the Valuation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an “**Affected Fund Share**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined in the manner set out in the applicable Final Terms, or if not set out or if not practicable, its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

“**Valuation Time**” means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund 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.

“**Weighting**” means the weight to be applied to each of the Fund Shares comprising the Basket of Fund Shares, as specified in the applicable Final Terms.

34. Commodity Linked W&C Securities

If the W&C Securities are specified as Commodity Linked W&C Securities in the applicable Final Terms, then the provisions of this Condition 34 shall apply.

34.01 *Market Disruption Event and Disruption Fallback*

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on the Pricing Date (or, if different, the day on which the price for the Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price (or method for determining the Relevant Price) for the Pricing Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price:

(a) Market Disruption Event

“Market Disruption Event” means the occurrence of any of the following events:

- (i) with respect to all Commodities:
 - (A) Price Source Disruption;
 - (B) Commodity Trading Disruption;
 - (C) Disappearance of Commodity Reference Price; and
 - (D) any additional Market Disruption Events specified in the applicable Final Terms; and
- (ii) with respect to all Commodities other than gold, silver or platinum:
 - (A) Material Change in Formula;
 - (B) Material Change in Content; and
 - (C) any additional Market Disruption Events specified in the applicable Final Terms; and
- (iii) with respect to a Commodity Index:
 - (A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such failure shall not be a Market Disruption Event and (i) shall fall within paragraph (i) of the proviso to the definition of Price Source in Condition 34.06, or (ii) shall be an Index Adjustment Event in respect of such Commodity Index) or (y) the closing price for any futures contract included in the Commodity Index;
 - (B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a

failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or

- (C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(iv) Disruption Fallback

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the W&C Securities. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall mean:

- (A) with respect to a relevant Commodity (in the following order):

- I Fallback Reference Price (if applicable);
- II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and
- III. Calculation Agent Determination;

- (B) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price:

- (a) using:
 - (i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and
 - (ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable

determination date on which no Market Disruption Event is occurring with respect to such contract; or

- (b) as specified in the applicable Final Terms.

Subject as provided below, the Calculation Agent shall determine the Relevant Price by reference to the closing prices determined in (a)(i) and (a)(ii) above or as provided in (b) above using the then current method for calculating the Commodity Reference Price.

Where a Market Disruption Event with respect to one or more futures contracts included in the Commodity Index has occurred on an applicable determination date and continues to exist as of the relevant Commodity Index Cut-Off Date for such applicable determination date, the Calculation Agent shall determine the Relevant Price on such Commodity Index Cut-Off Date. In calculating the Relevant Price as set out herein, the Calculation Agent shall use the formula for calculating the Commodity Reference Price last in effect prior to the Market Disruption Event.

34.02 Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

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

- (b) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 34.06, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the

relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

34.03 Correction to Published Prices

For purposes of determining or calculating the Relevant Price, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement (or, if earlier, the day falling two Commodity Business Days preceding the date on which payment of any amount or delivery of any amount of assets to be calculated by reference to such Relevant Price), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

34.04 Common Pricing

If with respect to Commodity Linked W&C Securities relating to a Basket of Commodities, "Common Pricing" is specified in the applicable Final Terms as:

- (i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Securities; or
- (ii) "Not Applicable" then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an "**Affected Commodity**"), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

All determinations made by the Calculation Agent pursuant to this condition will be conclusive and binding on the Holders and the Issuer, except in the case of manifest error.

34.05 Commodity Reference Prices

Subject to this Condition 34, for purposes of determining the Relevant Price for a Commodity or Commodity Index:

Agricultural products:

(a) Cocoa

"**COCOA-NYBOT**" means that the price for a Pricing Date will be that day's settlement price per metric ton of deliverable grade cocoa beans on NYBOT of the First Nearby Month Cocoa Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second

Nearby Month Cocoa Futures Contract stated in U.S. Dollars, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(b) Coffee

“COFFEE ARABICA-NYBOT” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade washed arabica coffee on NYBOT of the First Nearby Month Coffee Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Coffee Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(c) Corn

“CORN NO. 2 YELLOW-CBOT” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade corn on CBOT of the First Nearby Month Corn Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Corn Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(d) Cotton

“COTTON NO. 2-NYBOT” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade cotton No. 2 on NYBOT of the First Nearby Month Cotton Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Cotton Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(e) Livestock

(i) **“LEAN HOGS-CME”** means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade lean value hog carcasses on CME of the First Nearby Month Lean Hogs Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Lean Hogs Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(ii) **“LIVE CATTLE-CME”** means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade live steers on CME of the First Nearby Month Live Cattle Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Live Cattle Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(f) Soybeans

“**SOYBEANS-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade soybeans on CBOT of the First Nearby Month Soybeans Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Soybeans Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(g) Sugar

“**SUGAR # 11 (WORLD)-NYBOT**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade cane sugar on NYBOT of the First Nearby Month Sugar Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Sugar Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(h) Wheat

“**WHEAT-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade wheat on CBOT of the First Nearby Month Wheat Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Wheat Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

Oil and Energy

(a) Natural Gas (Henry Hub)

“**NATURAL GAS-HENRY HUB-NYMEX**” means that the price for a Pricing Date will be that day's settlement price per MMBTU of deliverable grade natural gas on NYMEX of the First Nearby Month Henry Hub Natural Gas Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(b) Oil (WTI)

“**OIL-WTI-NYMEX**” means that the price for a Pricing Date will be that day's settlement price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(c) Oil (Brent)

“**OIL-BRENT-IPE**” means that the price for a Pricing Date will be that day's settlement price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

Precious Metals:

(a) Gold

“**GOLD-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

(b) Platinum

“**PLATINUM-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

(c) Silver

“**SILVER-FIX**” means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

Base Metals

(a) Aluminium

“**ALUMINIUM-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(b) Copper

“**COPPER-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(c) Lead

“**LEAD-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(d) Nickel

“**NICKEL-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(e) **Zinc**

“**ZINC-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

34.06 Definitions

“**Basket of Commodities**” means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Final Terms.

“**Bloomberg Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Calculation Agent Determination**” means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**CBOT**” means the Chicago Board of Trade or its successor.

“**CME**” means the Chicago Mercantile Exchange or its successor.

“**COMEX**” means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“**Commodity**” and “**Commodities**” means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked W&C Securities relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked W&C Securities relating to a single commodity, the commodity, in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Commodity Business Day**” means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

“**Commodity Index**” means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Final Terms.

“**Commodity Index Cut-Off Date**” means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Final Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment, of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Final Terms).

“Commodity Reference Price” means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Final Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the applicable Final Terms, or if not so specified, the official closing price or level of such Commodity Index.

“Commodity Trading Disruption” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

“Delayed Publication or Announcement” means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

“Delivery Date” means the date specified in the applicable Final Terms.

“Disappearance of Commodity Reference Price” means:

- (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;
- (ii) the disappearance of, or of trading in, the Commodity; or
- (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

“Exchange” means in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

“Fallback Reference Price” means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

“First Notice Date” means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

“Futures Contract” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

“**Gold**” means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“**ICE**” means the Intercontinental Exchange, or its successor.

“**Index Sponsor**” means, in relation to a Commodity Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index and (b) announces (directly or through an agent) the price or level of such Index on a regular basis, which as of the Issue Date is the index sponsor specified for such Commodity Index in the applicable Final Terms.

“**LBMA**” means The London Bullion Market Association or its successor.

“**LME**” means The London Metal Exchange Limited or its successor.

“**London Gold Market**” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

“**London Silver Market**” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

“**LPPM**” means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

“**Material Change in Content**” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

“**Material Change in Formula**” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

“**MMBTU**”, “**MMBtu**” and “**mmbtu**” each means one million British thermal units.

“**Nearby Month**” when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) “**First Nearby Month**” means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) “**Second Nearby Month**” means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

“**NYBOT**” means the New York Board of Trade or its successor.

“**NYMEX**” means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“**Palladium**” means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“**Platinum**” means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Postponement” means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback below will apply.

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index.

“Price Source Disruption” means:

- (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or
- (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

- (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“Pricing Date” has the meaning given it in the applicable Final Terms.

“Relevant Price” means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day for

the specified Commodity Reference Price calculated as provided in these Conditions and the applicable Final Terms.

“**Reuters**” means Reuters or its successor.

“**Reuters Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Silver**” means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

35. Currency Linked W&C Securities

If the W&C Securities are specified as Currency Linked W&C Securities in the applicable Final Terms then the provisions of this Condition 35 shall apply.

35.01 Definitions applicable to Currency Linked W&C Securities

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms.

“**Currency Price**” means, in relation to each W&C Security or, in the case of Exercisable Certificates or Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the Currency Price specified in the applicable Final Terms, or if not so specified in the applicable Final Terms:

- (i) in the case of Currency Linked W&C Securities relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Linked W&C Securities relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX

Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

“FX Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Final Terms.

“FX Disrupted Day” means any FX Business Day on which a FX Market Disruption Event occurs.

“FX Market Disruption Event” means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Final Terms, and/or any other event specified as applicable in the applicable Final Terms.

“FX Price Source(s)” means, in respect of a Subject Currency, the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“FX Price Source Disruption” means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

“FX Trading Suspension or Limitation” means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

“Inconvertibility Event” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may

be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and

- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

“Interbank Market” means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

“Observation Period” means the period specified as such in the applicable Final Terms.

“Specified Financial Centre(s)” means the financial centre(s) specified in the applicable Final Terms.

“Scheduled Valuation Date” means any original date, that but for the occurrence of an event causing an FX Disrupted Day, would have been a Valuation Date.

“Valuation Cut-Off Date” means the Valuation Cut-Off Date specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or if that is not FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

- (i) where the Currency Linked W&C Securities relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (ii) where the Currency Linked W&C Securities relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an **“Affected Subject Currency”**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately

following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Subject Currency, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms.

FORM OF FINAL TERMS OF THE W&C SECURITIES

(Set out below is the form of Final Terms which will be completed for each Tranche of W&C Securities issued under the Programme).

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA

(a Canadian chartered bank)

Issue of [Title of W&C Securities]
under the Programme for the Issuance of Securities

[These W&C Securities provide for a dynamic structure which may result in changes to the Terms and Conditions and/or to the underlying(s) of the W&C Securities.]¹

[The W&C Securities may not be publicly marketed or offered in or from Switzerland, as such terms are defined or interpreted under the Swiss Federal Act on Collective Investment Schemes (“CISA”)]²

[Notice Regarding Offers in the EEA

[Except as provided in sub-paragraph (ii) below, any offer of W&C Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the W&C Securities. Accordingly, any person making or intending to make an offer of the W&C Securities may only do so:

(i) in that Relevant Member State in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 47 of Part A below, provided such person is one of the persons mentioned in Paragraph 47 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

¹ Include for W&C Securities to be listed on SIX Swiss Exchange which qualify as derivatives with dynamic structures according to article 8 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange.

² Include in the case of a private placement in Switzerland.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of W&C Securities in any other circumstances.]³

[Any offer of W&C Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the W&C Securities. Accordingly, any person making or intending to make offer in that Relevant Member State of the W&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of W&C Securities in any other circumstances.]⁴

[The W&C Securities are not subject to supervision by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”): None of the W&C Securities constitute a participation in a collective investment scheme within the meaning of the CISA and are neither subject to the authorisation nor the supervision by the FINMA and investors do not benefit from the specific investor protection provided under the CISA.]⁵

[Insert any specific additional risk factors, if appropriate]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated • [and the supplemental Prospectus(es) dated •]⁶ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the W&C Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the W&C Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Prospectus(es)], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.]

³ Include this legend only where there is a non-exempt offer of W&C Securities anticipated.

⁴ Include this legend only where there is an exempt offer of W&C Securities anticipated.

⁵ Include in the case of W&C Securities offered in Switzerland

⁶ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus[es] dated [●]] which are incorporated by reference in the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]]. This document constitutes the Final Terms of the W&C Securities described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]]³, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the W&C Securities is only available on the basis of the combination of these Final Terms (including the Conditions) and the [Base Prospectus] dated [*current date*] [and the supplemental Prospectus[es] dated •]. The [Base Prospectus] [and the supplemental Prospectus[es]] are available for viewing on the of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive. [If so, to avoid withdrawal rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Base Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

[By investing in the W&C Securities each investor represents that:

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the W&C Securities and as to whether the investment in the W&C Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the W&C Securities, it being understood that information and explanations related to the terms and conditions of the W&C Securities shall not be considered to be investment advice or a recommendation to invest in the W&C Securities. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the W&C Securities.

(b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands

and accepts the terms and conditions and the risks of the investment in the W&C Securities. It is also capable of assuming, and assumes, the risks of the investment in the W&C Securities.

(c) Status of Parties. Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the W&C Securities.]

1. Issuer: Royal Bank of Canada
- Branch of Account: [] [Main Toronto Branch located at 200 Bay Street, Toronto, Ontario, Canada] [London Branch]**
2. [(i) Series Number: []
- [(ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the W&C Securities become fungible).]
3. Type of W&C Securities: (a) [Redeemable Certificates / Exercisable Certificates [evidencing] [not evidencing] deposits under the *Bank Act (Canada)**** / Warrants]
- (b) [Index Linked W&C Securities / Equity Linked W&C Securities / Currency Linked W&C Securities / Commodity Linked W&C Securities / (*specify other type of W&C Security*)]
- [Italian Listed [Redeemable] [Exercisable] Certificates⁷]
4. Issue Date: []
5. [(a) Number of W&C Securities being issued: The number of W&C Securities being issued is []

* London Branch should not issue Exercisable Certificates with Additional Amounts payable or Exercisable Certificates subject to Physical Delivery.

** Branch only required for (i) Redeemable Certificates and (ii) Exercisable Certificates that evidence deposits under the *Bank Act (Canada)*.

*** If Exercisable Certificates, you must indicate whether they evidence deposits under the *Bank Act (Canada)* as only such Exercisable Certificates benefit from the gross-up in Condition 11.03. Exercisable Certificates that are treated as deposits for accounting and regulatory purposes should include the bracketed text and also specify a Branch of Account in 1. above. Insert in the case of Certificates admitted to listing on the regulated markets organised and managed by Borsa Italiana S.p.A.

- [(b)] Total Number of W&C Securities in issue: The total number of W&C Securities in issue is []
- (NB: Only applicable for fungible issues of W&C Securities)
6. Business Day Centre(s): [The applicable Business Day Centre(s) for the purposes of the definition of “**Business Day**” in Condition 3 [is/are] [●]]
7. Settlement: Settlement will be by way of [cash payment (“**Cash Settled**”)] [and/or] [physical delivery (“**Physical Delivery**”)*] (N.B. Italian Listed Certificates must be Cash Settled)
8. Cash Settlement Amount: [Insert details of how Cash Settlement Amount is to be calculated including reference to the applicable Exercise Price]
- [Identify “**Protection Amount**” if any]
9. Issuer’s Option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the W&C Securities
10. Settlement Currency: []
- (N.B. For Italian Listed Certificates, the Settlement Currency must be euro (€))
11. Exchange Rate: The Exchange Rate for conversion of any amount into the relevant Settlement Currency for purposes of determining the Cash Settlement Amount is [insert rate of exchange and details of how and when such rate is to be ascertained]/[specify]/Not Applicable]
12. Calculation Agent (and address): [●]
13. Issue Price: The issue price per [W&C Security / Unit (in relation to Exercisable Certificates and Warrants only)] is []
14. Minimum Trading Size: [Applicable⁸/Not Applicable] [[] Units / W&C Securities]

* Physical delivery of underlying commodities is not permitted.
⁸ Always applicable if W&C Securities are listed on SIX Swiss Exchange.

PROVISIONS RELATING TO EXERCISABLE CERTIFICATES AND WARRANTS

15. Type of [Certificates/Warrants]: [European/American/*other* Style/Open-Ended /W&C Securities]
- [[Call/Put] Warrants]
- [If American Style:
- The Exercise Period in respect of the W&C Securities is from and including [] to and including [] or if [] is not an Exercise Business Day, the immediately succeeding Exercise Business Day]
- [If European Style:
- The Exercise Date in respect of the W&C Securities is [], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.]
- [If Open Ended W&C Securities:
- The Exercise Date[s] in respect of the W&C Securities [is/are] [], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.]
16. Settlement Date:
- (i) [In relation to each Actual Exercise Date (*Insert for American Style W&C Securities or Open Ended W&C Securities*)], [the [fifth] Business Day following the [final] [last occurring] date for valuation (howsoever described) in respect of [a/the] [*insert relevant Reference Item(s)*]] [*other*]
(*N.B. Only applicable in relation to Cash Settled W&C Securities*)
- []
- (ii) “**Settlement Business Day**” means [any day on which [*insert details of clearing system for delivery of Entitlement*] (or but for the occurrence of a Settlement Disruption Event would have been) open for the

acceptance and execution of settlement instructions].

(N.B. Only applicable in the case of Physical Delivery W&C Securities)

[other]

17. Units: [W&C Securities must be exercised in Units. Each Unit consists of [●] W&C Securities. *(N.B. This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below).* / Not Applicable]
18. Exercise Price: The Exercise Price per [Warrant/Unit] is [●]. *(NB Only applicable to Warrants)*
19. Automatic Exercise: Automatic exercise [applies/does not apply] to the W&C Securities.
[Delivery of Exercise Notice:
[Applicable/Not Applicable]
(NB May only be applicable to Cash Settled W&C Securities and not applicable for Italian Listed Certificates)
20. Minimum Exercise Number: The minimum number of W&C Securities that may be exercised on any day by any Holder is [] [and W&C Securities may only be exercised in integral multiples of [] W&C Securities in excess thereof].
21. Maximum Exercise Number: The maximum number of W&C Securities that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is []. *(N.B. not applicable for European Style W&C Securities)*
22. Renouncement Cut-off Time⁹ [10.00a.m. (Milan time) / 5.00 p.m. (Milan time)]¹⁰

⁹ Complete in the case of Italian Listed Exercisable Certificates.

¹⁰ Choose 10.00a.m. (Milan time) where the Underlying is Shares listed in Italy or indices managed by Borsa Italiana, otherwise choose 5.00p.m.

23. Additional Amounts:¹¹ [Applicable/Not Applicable]
- [If Applicable:
- (i) Notional Amount per W&C Security: []
 - (ii) Additional Amount Payment Dates: [Each Additional Amount Accrual Date / *specify other*] or, if later, the [fifth] Business Day next following [last occurring] [final] date for valuation (howsoever described) of [a/the] [*insert relevant Reference Item(s)*] for purposes of calculating Additional Amount in respect of the relevant Additional Amount Period.
 - (iii) Additional Amount Accrual Dates: []
 - (iv) Additional Amount Rate: []
 - (v) Additional Amount Rate Day Count Fraction: [Actual/360]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[30/360 (Floating) or 30/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]
 - (vi) Additional Amount Cut-Off Date: [Exercise Date/*specify other*]

(N.B. If Additional Amount should accrue up to the Settlement Date, specify the scheduled calendar Settlement Date, not Settlement Date, otherwise Additional Amount will be payable on postponement.)
 - (vii) Other terms or special conditions relating to Additional Amounts: []

24. Issuer Call Option: [Applicable/Not Applicable]

[If Applicable:

- (i) Issuer Call Option Notice Period: []

¹¹ If the Issuer is Royal Bank of Canada, London Branch, there should be no Additional Amounts payable on Exercisable Certificates. In addition, Exercisable Certificates or Warrants that pay Additional Amounts should not be issued to UK investors as it is not clear how such instruments would be treated from a UK tax perspective.

(ii) Call Option Date(s): []
(iii) Call Option Cash Settlement: [Applicable/Not Applicable]
[If Applicable:
Call Option Cash Settlement Amount: [● per W&C Security/Unit] / [other]

25. Trigger Early Exercise: [Applicable/Not Applicable]

[If Applicable:

(i) Trigger Early Exercise Event: []

(ii) Trigger Early Exercise Date: [Each Additional Amount Payment Date immediately following the relevant Observation Date] / [● Business Days following the relevant Observation Date] / [other]

(iii) Trigger Early Exercise Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Trigger Early Exercise Cash Settlement Amount: [● per W&C Security/Unit] / [other]

Trigger Early Exercise Cash Settlement Amount includes amount in respect of accrued additional amounts: [Yes: no additional amount in respect of accrued additional amounts to be paid / No: together with the Trigger Early Exercise Cash Settlement Amount, accrued additional amounts shall also be paid]

PROVISIONS RELATING TO REDEEMABLE CERTIFICATES

26. Redemption Date: (i) [] or, if later, the [second] Business Day next following [last occurring] [final] date for valuation (howsoever described) in respect of [a/the] [insert relevant Reference Item(s)] [other] (N.B. Only applicable in relation to Cash Settled W&C Securities)

(ii) [] “**Settlement Business Day**” means [any day on which [insert details of clearing system for delivery of Entitlement] (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions. [other]] [Not Applicable] (N.B. Only

applicable in case of Physical Delivery W&C Securities)

27. Additional Amounts: [Applicable/Not Applicable]

[If Applicable:

(i) Notional Amount per Redeemable Certificate: []

(ii) Additional Amount Payment Dates: [Each Additional Amount Accrual Date / *specify other*] or, if later, the [second] Business Day next following the [last occurring] [final] date for valuation (howsoever described) in respect of [a/the] [*insert relevant Reference Item(s)*] for purposes of calculating additional amount in respect of the relevant Additional Amount Period.

(iii) Additional Amount Accrual Dates: []

(iv) Additional Amount Rate: []

(v) Additional Amount Rate Day Count Fraction: [Actual/360]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[30/360 (Floating) or 30/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]

(vi) Additional Amount Cut-Off Date: [*specify*]

(N.B. If Additional Amount should accrue up to the Redemption Date, specify the scheduled calendar Redemption Date, not Redemption Date, otherwise Additional Amount will be payable on postponement.)

(vii) Other terms or special conditions relating to Additional Amounts: []

28. Issuer Call Option: [Applicable/Not Applicable]

[If Applicable:

(i) Issuer Call Option Notice Period: []

(Only applicable if period in Condition 25.02 not appropriate)

(ii) Call Option Date(s): []

(iii) Call Option Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Call Option Cash Settlement Amount: [● per Redeemable Certificate] / [other]

29. Trigger Early Redemption: [Applicable/Not Applicable]

[If Applicable:

(i) Trigger Early Redemption Event: []

(ii) Trigger Early Redemption Date(s): [Each Interest Payment Date immediately following the relevant Observation Date] / [● Business Days following the relevant Observation Date] / [specify other]

(iii) Trigger Early Redemption Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Trigger Early Redemption Cash Settlement Amount: [● per Redeemable Certificate] / [other]

Trigger Early Redemption Cash Settlement Amount includes amount in respect of accrued additional amounts: [Yes: no additional amount in respect of accrued additional amounts to be paid / No: together with the Trigger Early Redemption Cash Settlement Amount, accrued Additional Amounts shall also be paid]]

30. Holder Put Option: [Applicable/ Not Applicable]

[If Applicable:

(i) Holder Put Option Notice Period: []

(Only applicable if period in Condition 25.04 not appropriate)

(ii) Put Option Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Put Option Cash Settlement Amount: []]

PROVISIONS RELATING TO TYPES OF W&C SECURITIES

31. **Multi-Reference Item Linked W&C Securities** [Applicable / Not Applicable]

[if Applicable:

(a) The W&C Securities are linked to each of the Reference Items set out in the table below. The Terms and Conditions of the W&C Securities as amended and/or supplemented by the applicable Final Terms shall be construed on the basis that in respect of each Reference Item the Relevant Conditions set out beside such Reference Item in the table below shall apply as the context admits separately and independently in respect of the relevant Reference Item.

(b) **Reference Item** **Relevant Conditions**

(1) [●] [Condition [●] as amended and/or supplemented by item [●] below applies]

(2) [●] [Condition [●] as amended and/or supplemented by item [●] below applies]

(3) [●] [Condition [●] as amended and/or supplemented by item [●] below applies]

(c) [*Insert additional terms and conditions in respect of multi-asset baskets as required*]

32. **Currency Linked W&C Securities**

[Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]

(i) Base Currency/Subject Currency: []

- (ii) Currency Price: [] (N.B. Include if different from definition in Condition 35.01)
- (iii) FX Market Disruption Event(s): [FX Price Source Disruption]
[FX Trading Suspension or Limitation]
[Inconvertibility Event]
- (iv) FX Price Source(s): []
- (v) Averaging: Averaging [applies/does not apply] to the Certificates. [The Averaging Dates are [] .]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [●] / the Trade Date] to (and including) [●] / the Valuation Date] / [Not Applicable]
- (vii) Valuation Date: []
- (viii) Valuation Cut-Off Date: []
- (ix) Valuation Time: []
- (x) FX Disrupted Day: [Consider provisions in Condition 35.01 for calculation of Currency Price if a Valuation Date is a FX Disrupted Day and if not appropriate insert appropriate provisions]
- (xi) Weighting: []
- (xii) Other terms or special conditions: []

33. **Commodity Linked W&C** [Applicable/Not Applicable]
Securities: (If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices:
[Cocoa]
[Coffee]
[Corn]
[Cotton]
[Lean Hogs]
[Live Cattle]
[Soybeans]

[Sugar]

[Wheat]

[Natural Gas (Henry Hub)]

[Oil (WTI)]

[Oil (Brent)]

[Gold]

[Platinum]

[Silver]

[Aluminium]

[Copper]

[Lead]

[Nickel]

[Zinc]

[●]

[The Sponsor[s] of the Commodity Index/Indices is/are [●]]

(ii) Commodity Reference Price:

[COCOA-NYBOT]

[COFFEE ARABICA-NYBOT]

[CORN NO. 2 YELLOW-CBOT]

[COTTON NO.2-NYBOT]

[LEAN HOGS-CME]

[LIVE CATTLE-CME]

[SOYBEANS-CBOT]

[SUGAR#11 (WORLD)-NYBOT]

[WHEAT-CBOT]

[NATURAL GAS-HENRYHUB-NYMEX]

[OIL-WTI-NYMEX]

[OIL-BRENT-IPE]

[GOLD-P.M. FIX]

[PLATINUM-P.M. FIX]

[SILVER-FIX]

[ALUMINIUM-LME CASH]

[COPPER-LME CASH]

[LEAD-LME CASH]

[NICKEL-LME CASH]

[ZINC-LME CASH]

[●]

(iii) Price Source:

[Bloomberg Screen page "CC1 <CMDTY> CT"/ Reuters Screen page "0#CC:"] [insert where the Commodity Reference Price is COCOA-NYBOT]

[Bloomberg Screen page "KC1 <CMDTY> CT"/Reuters Screen page "0#KC:"] [insert where the Commodity Reference Price is COFFEE ARABICA-NYBOT]

[Bloomberg Screen page "C 1 <CMDTY> CT"/Reuters Screen page "0#C:"] [insert where the Commodity Reference Price is CORN NO. 2 YELLOW-CBOT]

[Bloomberg Screen page "CT1 <CMDTY> CT"/Reuters Screen page "0#CT:"] [insert where the Commodity Reference Price is COTTON NO.2-NYBOT]

[Bloomberg Screen page "LH1 <CMDTY> CT"/Reuters Screen page" 0#LH:"] [insert where the Commodity Reference Price is LEAN HOGS-CME]

[Bloomberg Screen page "LC1 <CMDTY> CT"/Reuters Screen page "0#LC:"] [insert where the Commodity Reference Price is LIVE CATTLE-CME]

[Bloomberg Screen page "S 1 <CMDTY> CT"/Reuters Screen page "0#S:"] [insert where the Commodity Reference Price is

SOYBEANS-CBOT]

[Bloomberg Screen page "SB1 <CMDTY>
CT"/Reuters Screen page "0#SB:"] [insert
where the Commodity Reference Price is
SUGAR#11 (WORLD)-NYBOT]

[Bloomberg Screen page "W 1 <CMDTY>
CT"/Reuters Screen page "0#W:"] [insert
where the Commodity Reference Price is
WHEAT-CBOT]

[Bloomberg Screen page "NG1
<CMDTY>"/Reuters Screen page "2NGc1"]
[insert where the Commodity Reference Price
is NATURAL GAS-HENRYHUB-NYMEX]

[Bloomberg Screen page "CL1
<CMDTY>"/Reuters Screen page "2CLc1"]
[insert where the Commodity Reference Price
is OIL-WTI-NYMEX]

[Bloomberg Screen page "CO1
<CMDTY>"/Reuters Screen page "LCOc1"]
[insert where the Commodity Reference Price
is OIL-BRENT-IPE]

[Bloomberg Screen page "GOLDLNPM
<INDEX>"/Reuters Screen page "GOFO"]
[insert where the Commodity Reference Price
is GOLD-P.M. FIX]

[Bloomberg Screen page "PLTMLNPM
<INDEX>"/Reuters Screen page "STBL"]
[insert where the Commodity Reference Price
is PLATINUM-P.M. FIX]

[Bloomberg Screen page "SLVRLNPM
<INDEX>"/Reuters Screen page "SIFO" [insert
where the Commodity Reference Price is
SILVER-FIX]

[Bloomberg Screen page "LOAHDY
<CMDTY>"/Reuters Screen page
"SETTMAL01"] [insert where the Commodity
Reference Price is ALUMINIUM-LME CASH]

[Bloomberg Screen page "LOCADY
<CMDTY>"/Reuters Screen page
"SETTMCU01"] [insert where the Commodity

Reference Price is COPPER-LME CASH]

[Bloomberg Screen page "LOPBDY
<CMDTY>"/Reuters Screen page
"SETTMPB01"] [insert where the Commodity
Reference Price is LEAD-LME CASH]

[Bloomberg Screen page "LONIDY
<CMDTY>"/Reuters Screen page
"SETTMNI01"] [insert where the Commodity
Reference Price is NICKEL-LME CASH]

[Bloomberg Screen page "LOZSDY
<CMDTY>"/Reuters Screen page
"SETTMZN01"] [insert where the Commodity
Reference Price is ZINC-LME CASH]

[●]

(iv) Exchange:

[NYBOT] [insert where the Commodity
Reference Price is COCOA-NYBOT, COFFEE
ARABICA-NYBOT, COTTON NO.2-NYBOT or
SUGAR#11 (WORLD)-NYBOT]

[CBOT] [insert where the Commodity
Reference Price is CORN NO. 2 YELLOW-
CBOT, SOYBEANS-CBOT or WHEAT-CBOT]

[CME] [insert where the Commodity Reference
Price is LEAN HOGS-CME or LIVE CATTLE-
CME]

[NYMEX] [insert where the Commodity
Reference Price is NATURAL GAS-
HENRYHUB-NYMEX or OIL-WTI-NYMEX]

[ICE] [insert where the Commodity Reference
Price OIL-BRENT-IPE]

[London Gold Market] [insert where the
Commodity Reference Price is GOLD-P.M.
FIX]

[LPPM] [insert where the Commodity
Reference Price is PLATINUM-P.M. FIX]

[London Silver Market] [insert where the
Commodity Reference Price is SILVER-FIX]

[LME] [insert where the Commodity Reference
Price is ALUMINIUM-LME CASH, COPPER-

- LME CASH, LEAD-LME CASH, NICKEL-LME CASH or ZINC-LME CASH]
- [●]
- (v) Delivery Date: [●]
[See Conditions]
- (vi) Pricing Date: [●]
- (vii) Nearby Month: [●]
[See Conditions]
- (viii) Common Pricing: [Applicable/Not Applicable]

(N.B. Only applicable in relation to Commodity Linked Certificates relating to a Basket)
- (ix) Additional Market Disruption Events: [specify any additional Market Disruption Events]

Disruption Fallback(s): [As set out in Condition 34/[●]]

[Fallback Reference Price: alternate Commodity Reference Price – [●]]

[Commodity Index Cut-Off Date: [●]]
- (x) Commodity Business Day: [●]
- (xi) Trade Date: [●]
- (xii) Weighting: [Not Applicable/The weighting to be applied to each item comprising the Basket is [●]]

(N.B. Only applicable in relation to Commodity Linked W&C Securities relating to a Basket)
- (xiii) Specified Price: [high price]
[low price]
[average of the high price and the low price]
[closing price]
[opening price]
[bid price]

- [asked price]
- [average of the bid price and the asked price]
- [settlement price]
- [official settlement price]
- [official price]
- [morning fixing]
- [afternoon fixing]
- [spot price]
- [other]
- (xiv) Other terms or special conditions: [●]

35. Index Linked W&C Security Provisions (Equity Indices only) [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

- (i) Whether the W&C Securities relate to a Basket of Indices or a single Index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi-Exchange Index:
 - [Single Index/Basket of Indices]
 - Index or Indices: [[●] (*Give or Annex details*)]
 - Index Sponsor(s):
 - Multi-Exchange Index: [Yes/No]
- (iii) Reference Level: [As set out in Condition 29.08 / *Insert another definition*]
- (iv) Averaging Date(s): [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (v) Observation Period(s): [Each Scheduled Trading Day from (and including) [[●] / the Trade Date] to (and including) [[●] / the Valuation Date]] / [Not Applicable]
- (vi) Observation Date(s): [[●] (*Give details*) / Not Applicable]
- (vii) Valuation Date(s): []

- (viii) Valuation Time: Condition 29.08 applies/(Specify if other)]
- (ix) Disrupted Day: [Consider provisions in Condition 29.08 for calculation of the Reference Level if a Valuation Date, Observation Date or Averaging Date is a Disrupted Day and if not appropriate insert appropriate provisions]
- (x) Additional Disruption Events: [Applicable/Not Applicable]
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Other]
- (xi) Index Substitution: [Applicable/Not Applicable]
[If applicable, the Index Substitution Criteria are:
[]]
- (xii) Exchange(s): []
- (xiii) Related Exchange(s): [All Exchanges]/ []
- (xiv) Initial Level: []
- (xv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (xvi) Hedging Entity: [Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]
- (xvii) Weighting: []
- (xviii) Other terms or special conditions: []
36. **Equity Linked W&C Security Provisions** [Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Whether the W&C Securities relate to a Basket of Equities or a single Equity and the identity of the relevant Equity Issuer(s): [Single Equity/Basket of Equities] [Give or annex details of Equity Issuers and Equities, including details of Underlying Equities where applicable]

- (a) Equity/Equities: [Existing ordinary shares of the Equity Issuer]
- (b) Equity Issuer: [•] (Bloomberg code [•]);
- (c) ISIN/Common Code: [•]/[•]
- (ii) Reference Price: [As set out in Condition 30.05 / *Insert another definition*]
- (iii) Averaging Date(s): [The Averaging Dates are []].
[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (iv) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (v) Observation Date(s): [[•] (*Give details*) / Not Applicable]
- (vi) Valuation Date(s): []
- (vii) Valuation Time: [Condition 30.05 applies/(*Specify if other*)]
- (viii) Disrupted Day: [*Consider provisions in Condition 30.05 for calculation of the Reference Price if a Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions*]
- (ix) Common Disrupted Days: [Applicable/Not Applicable]
[*N.B. May only be applicable in relation to Equity Linked W&C Securities relating to a Basket of Equities.*]
- (x) Initial Price: []
- (xi) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)] / [*Insert Trade Date of related swap transaction (if different from Issue Date)*]
- (xii) Potential Adjustment Events: Applicable/Not Applicable [See Condition 30.02(i)]
- (xiii) De-listing: [Applicable/Not Applicable]

(xiv) Merger Event:	[Applicable/Not Applicable]
(xv) Nationalisation:	[Applicable/Not Applicable]
(xvi) Insolvency:	[Applicable/Not Applicable]
(xvii) Tender Offer:	[Applicable/Not Applicable]
(xviii) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [Other]
(ixx) Equity Substitution:	[Applicable/Not Applicable] [If applicable, the Equity Substitution Criteria are : []] [If applicable and DRs, DR Substitution Criteria are: []]
(xx) Exchange(s):	[•]
(xxi) Related Exchange(s):	[All Exchanges]/[•]
(xxii) Exchange Rate:	[Applicable/Not Applicable] <i>[If applicable, insert details]</i>
(xxiii) Partial Lookthrough Depository Receipt Provisions:	[Applicable/Not Applicable]
(xxiv) Full Lookthrough Depository Receipt Provisions:	[Applicable / Not Applicable]
(xxv) Hedging Entity:	<i>[Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]</i>
(xxvi) Weighting:	[]
(xxvii) Other terms or special conditions:	[]
37. Fund Linked W&C Security Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Whether the W&C Securities relate to a single Fund or a Basket of Funds and the identity	[Single Fund / Basket of Funds] <i>(Give or annex details including Weightings if applicable)</i> [The [•] Fund is an ETF]

- of the relevant Fund/Funds: [Exchange for each Fund Share: []]
- [Related Exchange for each Fund Share: [] / All Exchanges]
- [Underlying Index]: []
- (N.B. Include for Exchange Traded Funds (ETFs))*
- (ii) Fund Interest(s): []
- (iii) Reference Price: [As set out in Condition 33.08 / *Insert another definition*]
- (N.B. Include for ETFs only)*
- (iv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date) / [•] (Give details)/Not Applicable] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)
- (v) Averaging Date(s): [The Averaging Dates are []]
- [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (vii) Observation Date(s): [[•] (Give details) / Not Applicable]
- (viii) Valuation Date(s): []
- (ix) Valuation Time: [Condition 33.08 applies/(Specify if other)]
- (N.B. applicable to ETFs only)*
- (x) Common Disrupted Days: [Applicable/Not Applicable]
- (N.B. May only be applicable in relation to Fund Linked W&C Securities relating to a Basket of Fund Shares.)*
- (xi) Disrupted Day: [Consider provisions in Condition 33.08 for calculation of the Reference Level if a

Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions]

[N.B. applicable to ETFs only]

(xii) Initial Price: []

(xiii) Relevant provisions for determining certain Fund Events:

(a) NAV Trigger: *[Insert percentage]*

(b) Reporting Disruption Period: *[Insert applicable period]*

(xiv) Additional Disruption Events: Change in Law: [Applicable/Not Applicable]

Hedging Disruption: [Applicable/Not Applicable]

Increased Cost of Hedging: [Applicable/Not Applicable]

Insolvency Filing: [Applicable/Not Applicable]

(xv) Exchange Rate: []/Not Applicable

(xvi) Hedging Entity: *[Specify names of Affiliates and entities other than the Issuer acting on behalf of the Issuer]*

(xvii) Weighting: []

(xviii) Other terms or special conditions: [Merger Event: Merger Date on or before [the Valuation Date/other]]

38. **Credit Linked W&C Security Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Other terms or special conditions:

- | PROVISIONS FOR PHYSICAL DELIVERY* | [Applicable / Not Applicable] |
|--|---|
| 39. Relevant Asset(s) | [] |
| 40. Entitlement: | The Entitlement (as defined in Condition 3) in relation to each W&C Security is []

[The Entitlement will be evidenced by <i>[insert details of how the Entitlement will be evidenced]</i>]

The Entitlement will be delivered <i>[insert details of the method of delivery of the Entitlement]</i> |
| 41. Cash Adjustment: | [The Cash Adjustment will be determined as follows: [●]] |
| 42. Failure to Deliver due to Illiquidity: | [Applicable / Not Applicable] |

GENERAL

- | | |
|-----------------------------|---|
| 43. Form of W&C Securities: | The W&C Securities are to be issued into and transferred through Euroclear and Clearstream, Luxembourg and will be represented by [a Temporary Global W&C Security exchangeable for a Permanent Global W&C Security / a Permanent Global W&C Security]

[Permanent Global W&C Security deposited with SIX SIS, transformed into Intermediated Securities] |
| 44. Other final terms: | [Not Applicable/ <i>give details</i>]

<i>[When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]</i>

<i>[Include Notice provisions other than those found in Condition 10]</i> |

* Where the Relevant Assets are shares or share equivalents of a third party issuer that are not admitted to a regulated market, the Issuer may be required to prepare a Supplement or Drawdown Prospectus to include any additional information about the Relevant Assets. Physical delivery of underlying commodities is not permitted.

DISTRIBUTION

45. Method of distribution: [Syndicated / Non-Syndicated]
- (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, [addresses and underwriting commitments]]
- [(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)] [Not Applicable in non-exempt offers Italy]
- [Insert, if applicable, in the case of non-exempt offers in Italy.]
- [The Certificates will be placed in Italy without any underwriting commitment and no undertakings have been made by third parties to guarantee the subscription of the Certificates.]
- The Certificates will be publicly offered in Italy through the following distributor:
- [●]
- [(ii) Date of Subscription Agreement: []]
46. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- [Insert, if applicable, in the case of non-exempt offers in Italy.]
- [For the avoidance of doubt, the Dealer will not act as distributor.]
- [[●] is the *Responsabile del Collocamento* (the “**Lead Manager**”), in relation to the public offer in Italy since it has organised the placing syndicate by appointing the distributors.] [For the avoidance of doubt, the Lead Manager will not act distributor/placer and will not place the Certificates in Italy.] [to be included in case of public offers in Italy]
47. Total commission and concession: []

48. U.S. Selling Restrictions: [Regulation S compliance Category 2;] [TEFRA C rules apply]^{*} [TEFRA D rules apply] [TEFRA D rules apply in accordance with usual Swiss practice]^{**} [TEFRA rules not applicable]

49. Non-Exempt Offer: [Not Applicable] [An offer of the W&C Securities may be made by the Managers [and [specify, names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a general description of other parties involved in non-exempt offers (e.g. "Other parties authorised by the Managers")] (together with the Managers, the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**Public Offer Jurisdictions**") during the period from [specify date] (until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] ("**Offer Period**"). See further Paragraph 12 of Part B below]

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)

50. Additional selling restrictions: [Not Applicable/give details]

[Each of the [Managers] covenants that:

(i) it has offered and sold and will offer and sell the W&C Securities only in accordance with practices and documentation customary in Switzerland;

^{*} Applicable to W&C Securities payable in other than CHF and settled in SIX SIS unless considered "registered" under U.S. tax rules at the time of issue.

^{**} Applicable to W&C Securities payable in CHF and settled in SIX SIS.

(ii) it has used and will use reasonable efforts to sell the W&C Securities only in Switzerland; and

(iii) it will use reasonable efforts to ensure that more than 80% by [value] of the W&C Securities will be offered and sold to non-distributors by distributors maintaining an offer in Switzerland (“**distributors**” having the meaning ascribed thereto in the U.S. Internal Revenue Code and regulations thereunder).¹²

51. Exchange Date: []
52. [The net issue proceeds of the Redeemable Certificates / Exercisable Certificates issued (for purposes of the Programme limit) has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of:]¹³ [U.S.\$●] [Not Applicable]
53. [The implied notional amount of the Warrants / Exercisable Certificates (for purposes of the Programme limit) has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of:]¹⁴ [U.S.\$●] [Not Applicable]
54. Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): [English law / Not Applicable]¹⁵

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [specify stock exchange]] [SIX Swiss Exchange] and to] trading on [specify relevant [regulated] market [Schoach Switzerland]] of the W&C Securities described herein pursuant to the Programme for the Issuance of Securities of Royal Bank of Canada.]

¹² Required for issues of W&C Securities payable in CHF and settled in SIX SIS.

¹³ Applicable to Redeemable Certificates and Exercisable Certificates that are deposits under the *Bank Act* (Canada).

¹⁴ Applicable to Warrants and Exercisable Certificates that are not deposits under the *Bank Act* (Canada).

¹⁵ English law may only be elected in the case of W&C Securities issued on a non-syndicated basis. Exercisable Certificates or Warrants with Physical Delivery should be governed by Ontario law.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Specify third party information) has been extracted from (specify source)]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain [from information published by (specify source)], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

- [(i)] Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the W&C Securities to be admitted to [the Official List of the [UKLA / Luxembourg Stock Exchange / Borsa Italiana S.p.A. / other] and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the W&C Securities to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Application has been made by the Issuer (or on its behalf) for the W&C Securities to be listed on SIX Swiss Exchange and admitted to trading on Scoach Switzerland with effect from []] [Application is expected to be made by the Issuer (or on its behalf) for the W&C Securities to be listed on SIX Swiss Exchange and admitted to trading on Scoach Switzerland from [], provided that no assurance can be given that the W&C Securities will be admitted to trading on Scoach Switzerland or listed on SIX Swiss Exchange on the Issue Date or any specific date thereafter.] [Not Applicable.]

[W&C Securities listed on SIX Swiss Exchange may be suspended from trading in accordance with Article 57 of the SIX Listing Rules or be de-listed from SIX Swiss Exchange during the lifetime of the W&C Securities.]¹

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- [(ii)] Estimate of total expenses related to admission to trading: [•]^{***}

** If an issue of W&C Securities is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 10 and 12 of this Part B.

¹ Include this in case of SIX Swiss Exchange listing.

*** Only required for W&C Securities with a minimum Issue Price of greater than Euro 100,000 (or its equivalent in other currencies on the Issue Date).

2. RATINGS

Ratings:

The W&C Securities to be issued [have been] / [are expected to be] rated:

[S & P: AA-]

[Moody's: Aa1]

[[Other rating agency]: []]

[Need to include the full legal name of each rating agency as above and a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union and is registered under Regulation (EC) No. 1060/2009, disclosed the intention to endorse credit ratings of [Insert credit rating agency]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the European Union by relevant market participants for a transitional period ending on 30 April

2012.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

(The above disclosure should reflect the rating allocated to W&C Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion one of the following statements:

[Save [for any fees payable to the [Managers/Dealers] and] as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the W&C Securities has an interest material to the offer.]

[The Issue Price may include a fee or commission payable to a distributor or third party. Such fee or commission will be determined by reference to a number of factors including but not limited to the redemption or settlement date of the W&C Securities, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[The Issue Price includes a fee or commission of [●] per cent. of the notional amount of the W&C Securities payable to a distributor or third party.]

[*For Hong Kong issuances:* The Issue Price may include a fee or commission payable to a distributor or third party, such a fee or commission will be determined by a number of factors including but not limited to maturity of the note, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[When adding any other description, consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from that set out in the Base Prospectus will need to include those reasons here.)]

[(ii)] Estimated net proceeds: ●

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: ●

[N.B.: (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [[Floating Rate W&C Securities only - HISTORIC RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

6. [Index Linked W&C Securities only – PERFORMANCE OF [INDEX/BASKET OF INDICES] [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the/each Index/Basket of Indices can be obtained. [Need to include the name of the/each Index and Index Sponsor and a description if composed by the Issuer and if the/each Index is not composed by the Issuer need to include details of where the information about the/each Index / Index Sponsor can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[Identify source of all third party information.]

7. (Currency Linked W&C Securities Only) PERFORMANCE OF [RATE(S) OF EXCHANGE /CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/CURRENCIES]]

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the [relevant rates of exchange/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

8. (Commodity Linked W&C Securities Only) PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY /COMMODITY INDEX/BASKET OF COMMODITIES/COMMODITY INDICES]]

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of [the/each Commodity/Commodity Index/basket of Commodities/basket of Commodity Indices] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

9. **(Equity Linked W&C Securities and Fund Linked W&C Securities Only) PERFORMANCE OF EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS]**

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of [the/each [Equity/Fund] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

[N.B. Where an issue of Equity Linked W&C Securities or Fund Linked W&C Securities is to be redeemed by physical delivery of all or part of a Reference Item and such Reference Item is not listed on a regulated market, the Issuer will supplement the Base Prospectus to include any additional information about the Reference Item that is required to enable the Issuer to comply with its disclosure obligations.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

10. **(Credit Linked W&C Securities Only) INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]**

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[Identify source of all third party information.]

11. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)] [SIX SIS AG]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Name(s) and address(es) of Initial Paying Agents: []
- (vi) Names and addresses of additional Paying Agent(s) (if any): []

12. TERMS AND CONDITIONS OF THE OFFER*

Offer Price: [Issue Price] [Not Applicable] [*specify*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[The offer price is €[●] for each Certificate (of which [●] per cent. is the expected average commissions payable to the distributors).]

Conditions to which the offer is subject: [Not Applicable / *give details*]

Description of the application process: [Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[Investors may apply to subscribe for Certificates during the Offer Period. The Offer Period may be discontinued at any time. In such a case, the offeror shall give immediate notice to the public before the end of the Offer Period by means of a notice published on the website of the Issuer (*[insert website]*).

* Delete unless non-exempt public offers in the EEA are intended.

Any application shall be made in Italy to the distributors. Investors will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for any Certificates.

A prospective investor should contact the relevant distributor prior to the end of the Offer Period. A prospective investor will subscribe for Certificates in accordance with the arrangements agreed with the relevant distributor relating to the subscription of securities generally.

There is no pre-identified allotment criteria. The distributors will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Certificates requested through the distributors during the Offer Period will be assigned up to the maximum amount of the Offer. A prospective investor will, on the Issue Date, receive 100 per cent. of the amount of Certificates allocated to it during the Offer Period.]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

[Not Applicable / *give details*]

Details of the minimum and/or maximum amount of application:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[The minimum amount of application per investor will be €[●] in nominal amount of the Certificates. The maximum amount of application will be subject only to availability at the time of application.]

Details of the method and time limits for paying up and delivering the W&C Securities:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[Certificates will be available on a delivery versus payment basis.]

The Issuer estimates that the Certificates will be delivered to the purchaser's respective book-entry securities accounts on or around the Issue Date.]

Manner and date in which results of the offer are to be made public:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[By means of a notice published on the website of the Issuer (*insert website*) [and from the distributors following the Offer Period and prior to the Issue Date.]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not Applicable / *give details*]

Categories of potential Investors to which the W&C Securities are offered and whether tranche(s) have been reserved for certain countries:

[Not Applicable / *give details*]

[Insert, if applicable, in the case of non-exempt offers in Italy.]

[The offer may be made through the distributors in Italy to any person, in compliance with the relevant selling restrictions, as described in the Base Prospectus.]

Qualified investors may be assigned only those Certificates remaining after the allocation of all the Certificates requested by the public in Italy during the Offer Period.

Offers (if any) in any other EEA country will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable / *give details*]
[*Insert, if applicable, in the case of non-exempt offers in Italy.*]

[Applicants will be notified directly by the distributors of the success of their application.]

[Dealing in the Certificates may commence on the Issue Date.]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable / *give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None / *give details*]

13. [INDEX/OTHER DISCLAIMER^{*}

The issue of this series of W&C Securities (in this paragraph, the “**Transaction**”) is not sponsored, endorsed, sold, or promoted by [**NAME OF INDEX/OTHER**] (the “**Index**”) or [**NAME OF INDEX/OTHER SPONSOR**] (the “**Index Sponsor**”) and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, none of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

^{*} Include unless the relevant Index has a bespoke disclaimer, in which case substitute such bespoke disclaimer.

14. [W&C SECURITIES LISTED ON SIX SWISS EXCHANGE

[(i) First Scoach Switzerland Trading [] [Anticipated to be the Issue Date]
Day:

(ii) Last Scoach Switzerland Trading [] [trading on Scoach Switzerland until
Day: official close of trading on Scoach
Switzerland on that day]

(iii) Swiss Programme and Paying Agent: BNP PARIBAS SECURITIES SERVICES,
Paris, Zurich Branch

(iv) Valor []

(v) SIX Swiss Exchange Symbol []

In respect of W&C Securities to be listed on SIX Swiss Exchange, the Base Prospectus, together with any Supplements thereto and the Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange.]²

² Include entire section only if W&C Securities are listed on SIX Swiss Exchange.

[ANNEX TO THE FINAL TERMS

Additional Information related to W&C Securities listed on SIX Swiss Exchange

Issuer Representative in the sense of article 43 of the Listing Rules of SIX Swiss Exchange; Naegeli & Partners Attorneys at Law Ltd, Klausstrasse 33, 8008 Zurich, Switzerland.

No Material Adverse Change: Except as disclosed in any document incorporated by reference in the Base Prospectus, as supplemented as at the date of these Final Terms, there has been no material adverse change in the assets and liabilities or financial position of the Issuer respectively since the date of their most recently published financial statements.]¹

[Additional information for W&C Securities to be listed on SIX Swiss Exchange which qualify as derivatives with dynamic structures according to article 8 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange

[] *Insert detailed description of changes to the Conditions and/or to the Reference Item(s) of the W&C Securities (e.g. "roll-over") resulting from the dynamic structure(as defined in the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange)]*

[Additional information for W&C Securities to be listed on SIX Swiss Exchange which qualify as actively managed certificates according to article 11 of the Directive on Debt Securities with Specific Structures of SIX Swiss Exchange

[] *Insert description of: (1) the investment strategy: present the precise definitions and specifications of the investment guidelines in a clear and comprehensible form. The investment restrictions must be determined in a manner such that the investor can clearly understand the strategy and orientation of the Securities); (2) Cost transparency: to include, at the minimum: (a) fees: all fees charged by the relevant Issuer must be disclosed; (b) treatment of dividends: disclose how dividends paid on the Reference Item(s) are handled; (c) "rebalancing": an indication of the criteria according to which the rebalancing of the Reference Item(s) is accomplished.]*

Additional Reference Item information

General information with respect to the Reference Item

General designation or description of the Reference Item

[[] *Insert description for each Reference Item]*

[where applicable:] [Company name and domicile of the issuer of the Reference Item]

[[] *Where applicable, insert company name and domicile of the issuer of the underling for each underling]*

ISIN of the Reference Item *[if the ISIN is not available, then an alternative unique identifier is required]*

¹ Include this in case of SIX Swiss Exchange listing.

[[] *Insert ISIN or alternative unique identifier for each Reference Item*]

Information on what source of the Reference Item's price is used as a basis for the price of the W&C Securities

[[] *If the Reference Item(s) is/are trading on a stock exchange, the name of this exchange must be given. Information must otherwise be given on where the price-setting mechanism for the Reference Item(s) is/are available to the public*]

Information on which price for the Reference Item(s) is material in establishing the price of the W&C Securities

[[] *Insert relevant price, e.g. closing price, arithmetical mean price over a specific period*]

Details of where information on the past performance of the Reference Item(s) can be obtained

[[] *Insert relevant details/sources*]

[Additional information for W&C Securities linked to Equity:]

[if delivery of the Reference Item(s) is planned:] [Transferability of the Reference Item(s), any restrictions on tradability of the Reference Item(s)[, and the type of security]]

[[] *Give information on the transferability of the Reference Item(s), insert any restrictions on tradability of the Reference Item(s), and specify the type of security in the case of shares, e.g. registered paper*]

Information on where the latest annual reports for the issuer of the Reference Item(s) may be obtained free of charge for the term of the Instrument

[[] *Insert relevant details/sources*]

[Additional information for W&C Securities on collective investment schemes (Funds):]

Information on the fund management or issuing company, and details of the composition or investment universe of the relevant collective investment scheme

[[] *Insert information on the fund management or issuing company, and details of the composition or investment universe of the relevant collective investment scheme*]

[The collective investment scheme has been authorised by the Swiss Financial Market Supervisory Authority FINMA for sale in or from Switzerland.] [The collective investment scheme has not been authorised by the Swiss Financial Market Supervisory Authority FINMA for sale in or from Switzerland.]

[Additional information for W&C Securities on Indices:]

Name of the agency that calculates and publishes the Index (index sponsor), and source where information on the method of calculation is available

[[] Insert relevant index sponsor and the source where information on the method of calculation is available to the public]

Details of where information on the component securities and any modifications to composition are available

[[] Give details of where information on the [component securities] and any modifications to composition are available to the public, specifically where and when such adjustments are announced]

[The Index is a price index.][The Index is a performance (total return) index.]

[Additional information for W&C Securities on standardised options and futures contracts:]

Contract months, including the duration and the expiry[, or information on the roll-over mechanism]

[[] Insert relevant details re contract months, including the duration and the expiry, or information on the roll-over mechanism, e.g. roll-over to the corresponding front end future contract]

Contract unit and price quotation

[[] Insert contract unit and price quotation]

[Additional information for W&C Securities on baskets of Reference Items:]

Initial fixing plus the percentage [and shares] of the initial weighting of basket securities

[[] Insert initial fixing plus the percentage and, where appropriate, shares of the initial weighting of basket securities]

Permitted parameters for the composition of the basket

[[] if the composition of the basket is subject to predefined or discretionary modifications, then the permitted investment universe must be defined]]

[Form of Renouncement Notice

RENOUNCEMENT NOTICE

(to be completed by the Holder of the relevant Italian Listed Exercisable Certificates)

[Royal Bank of Canada]

[insert title of Italian Listed Exercisable Certificates]

ISIN: []

(the "**W&C Securities**")

To: The Bank of New York Mellon (Luxembourg) S.A. Italian Branch
Via Carducci, 31 - 20123
Milan
Italy

Fax No: 00 39 02 8790 9851

We/I the undersigned Holder(s) of the W&C Securities

hereby communicate that we are renouncing the automatic exercise on the Exercise Date [scheduled to fall on [●]] of the rights granted by the W&C Securities in accordance with the Terms and Conditions of the securities, as amended and/or supplemented by the applicable Final Terms (the "**W&C Security Terms**").

Series No. of the W&C Securities: [●]

Number of W&C Securities the subject of this notice: [●]

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the W&C Security Terms or is determined to be incomplete or not in proper form (in the determination of the Paying Agent in consultation with the Clearing System in which the relevant W&C Securities are held), it will be treated as null and void.

If this Renouncement Notice is subsequently corrected to the satisfaction of the Paying Agent, it will be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Paying Agent.

Expressions defined in the W&C Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder

Name of beneficial owner of the W&C Securities

Signature]²

² Insert in the case of Italian Listed Exercisable Certificates.

USE OF PROCEEDS

Except as otherwise set out in the applicable Final Terms, the net proceeds of the issue of each Tranche of Securities will be added to the general funds of the Issuer or used by the Issuer and/or its affiliates for hedging the Securities. Except as otherwise set forth in the applicable Final Terms, the purpose of an issue of Subordinated Notes will be to enlarge the Issuer's capital base.

DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The following is a summary description of the Preference Share Issuer and the Preference Shares.

The Preference Share Issuer

RBC GELP (UK) Limited (the "**Preference Share Issuer**" or "**RBC GELP**") is a private company limited by shares and was incorporated under the Companies Act 2006 on 10 October 2012 (with registered number 7804433). RBC GELP is governed by the laws of England and Wales and has its registered office at Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom.

The sole business activity of RBC GELP is to issue redeemable preference shares. Accordingly, RBC GELP does not have any trading assets and does not generate any significant net income.

A copy of RBC GELP's constitutional documents and the Preference Share terms and conditions are available (free of charge) from the registered office of Royal Bank of Canada at Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom.

The Preference Shares

The Preference Share Issuer will from time to time issue tranches of 100 redeemable preferred shares (the "**Preference Shares**") with a par value of £0.01 each. The Preference Shares will be issued fully paid to Royal Bank of Canada and at a premium of £0.99, for total consideration of £1.00 each.

The Preference Share Issuer may issue redeemable preference shares of any kind, including but not limited to preference shares linked to a specified index or basket of indices, share or basket of shares, currency or basket of currencies, debt instrument or basket of debt instruments, commodity or basket of commodities, fund unit or share or basket of fund units or shares or to such other underlying instruments, bases of reference or factors (each a "**Preference Share Underlying**") and on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant series of preference shares (the "**Preference Share Terms**"). The Preference Share Terms, and any non-contractual obligations arising out of or in connection with the Preference Share Terms and any non-contractual obligations arising out of or in connection with them, are governed by and construed in accordance with English law.

The Preference Share Terms provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the performance of the Preference Share Underlying.

The Preference Share Terms also provide that the Preference Share Issuer may redeem the Preference Shares early if:

- (a) the calculation agent in respect of the Preference Shares determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

- (b) any event occurs in respect of which the provisions of the Preference Share Terms relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be redeemed; or
- (c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or
- (d) the Preference Share Issuer is notified that the Preference Share Linked Notes have become subject to early redemption.

The value of the Preference Shares will be published on each Business Day on the Bloomberg service on page RBPB.

The Preference Share Underlying

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked.

Investors should review the Preference Share Terms and the Preference Share Issuer's constitutional documents and consult with their own professional advisers if they consider it necessary.

ROYAL BANK OF CANADA

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in the Base Prospectus. See paragraphs (a) – (d) of the section entitled “Documents Incorporated by Reference”.

History and Development of the Issuer

Royal Bank of Canada (the “**Bank**”) is a Schedule I bank under the *Bank Act* (Canada) (the “**Bank Act**”), which constitutes its charter. The Bank was created as Merchants Bank in 1864 and was incorporated under the “Act to Incorporate the Merchants’ Bank of Halifax” assented to June 22, 1869. The Bank changed its name to The Royal Bank of Canada in 1901 and to Royal Bank of Canada in 1990.

The Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5 and the telephone contact number is +1 (416) 974-5151. Its head office is located at 1 Place-Ville Marie, Montreal, Quebec, Canada.

Principal Activities and Markets

The Bank and its subsidiaries operate under the master brand name RBC. All references to “the Bank” in the section entitled “**Royal Bank of Canada**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank is Canada’s largest bank as measured by assets and market capitalisation, and is among the largest banks in the world, based on market capitalisation. The Bank is one of North America’s leading diversified financial services companies, and provides personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. The Bank employs approximately 74,000 full- and part-time employees who serve close to 16 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 51 other countries. As at January 31, 2012, the Bank has total assets of approximately C\$815 billion and total equity attributable to shareholders of approximately C\$41 billion.

The Bank’s reporting segments are Canadian Banking, Wealth Management, Insurance, International Banking, Capital Markets and Corporate Support. Additional information about the Bank’s business and each segment (including segment results) can be found under “Overview and outlook” beginning on page 8 and under “Business segment results” beginning on page 14 of the 2011 Annual Report, which pages are incorporated by reference herein.

The Bank’s common shares are listed on the Toronto Stock Exchange in Canada, New York Stock Exchange in the U.S. and SIX Swiss Exchange Ltd. in Switzerland. The trading symbol is “RY”. Its preferred shares are listed on the Toronto Stock Exchange.

Except as indicated in Notes 17 and 18 of the 2011 Audited Consolidated Financial Statements, there are no convertible bonds or options on the Bank’s common or preferred shares outstanding which have been issued by the Bank or by group companies of the Bank.

Except for the number of Treasury Shares as at January 31, 2012 specified in the Bank’s Condensed Consolidated Balance Sheet in the First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements incorporated herein by reference, neither the Bank nor any third party on its behalf owns any of its issued common or preferred shares.

Competition

The principal markets in which the Bank competes as at October 31, 2011 are described in the 2011 MD&A incorporated by reference herein.

Organisational Structure

The Bank's principal subsidiaries as at October 31, 2011 are described in the AIF incorporated by reference herein.

ISSUER RATINGS

Each of the Bank's debt securities ratings as at January 31, 2012 received from a rating agency with which it cooperated are listed below

Rating Agency	Long-term Senior Debt	Bank Subordinated Debt	Short-term Debt	Outlook
Moody's USA	Aa1	Aa2	P-1	Long-term ratings under review for possible downgrade Short-term rating Stable
S&P USA	AA-	A	A-1+	Stable
Fitch	AA	AA-	F1+	Stable
DBRS	AA	AA (low)	R-1 (high)	Stable

See page 25 of the AIF incorporated by reference into this Prospectus for a definition of the categories of each of the credit ratings referred to above.

On February 15, 2012, the Bank's long-term ratings were put under review for possible downgrade by Moody's USA. Moody's USA also reaffirmed the Bank's short-term ratings.

A credit 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.

PRESENTATION OF FINANCIAL RESULTS

With the exception of the figures for return on common equity, the information in the tables appearing under "Financial Summary" below was prepared in accordance with Canadian GAAP or IFRS, as indicated.

FINANCIAL SUMMARY

With the exception of the figures for return on common equity, information in the tables below for the years ended October 31, 2011 and 2010 has been extracted from the 2011 Audited Consolidated Financial Statements, which have been prepared in accordance with Canadian GAAP and are incorporated by reference in this Prospectus together with the Report of the Independent Registered Chartered Accountants thereon (excluding for greater certainty Management's Report on Internal Control over Financial Reporting and the Report of the Independent Registered Chartered Accountants thereon).

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

With the exception of the figures for return on common equity, the information in the table below for the three-month periods ended January 31, 2012 and 2011 has been extracted from the First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements contained in the Bank's First Quarter 2012 Report to Shareholders, which have been prepared in accordance with IFRS and are incorporated by reference in this Prospectus. The figures for return on common equity for the three-month periods ended January 31, 2012 and 2011 have been extracted from the Bank's First Quarter 2012 Report to Shareholders. All figures for the three-month periods ended January 31, 2012 and 2011 are unaudited.

Selected Consolidated Balance Sheet Information

	IFRS		Canadian GAAP	
	As At January 31, 2012 ⁽³⁾	As At January 31, 2011 ⁽³⁾	As at October 31, 2011 ⁽¹⁾⁽²⁾	As At October 31, 2010 ⁽¹⁾⁽²⁾
	<i>(in millions of Canadian dollars)</i>			
Loans, net of allowance for loan losses	363,647	343,633	296,284	273,006
Total assets	815,016	761,972	751,702	726,206
Deposits	502,046	485,194	444,181	414,561
Other liabilities	260,253	227,316	256,124	263,030
Subordinated debentures	8,744	9,035	7,749	6,681
Trust capital securities	900	1,635	-	727
Non-controlling interest in subsidiaries	1,758	2,053	1,941	2,256
Shareholders' Equity	40,972	36,462	41,707	38,951

¹ The amounts have been extracted from the Bank's 2011 Audited Consolidated Financial Statements prepared in accordance with Canadian GAAP and incorporated by reference in this document.

² Comparative information has been restated to reflect the presentation of discontinued operations. For further information please refer to Note 1 and 11 of the Bank's 2011 Audited Consolidated Financial Statements incorporated by reference in this document.

³ The amounts have been extracted from the Bank's First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IFRS and incorporated by reference in this document.

Condensed Consolidated Statement of Income

	IFRS		Canadian GAAP	
	Three months ended January 31, 2012 ⁽⁴⁾	Three months ended January 31, 2011 ⁽⁴⁾	Year ended October 31, 2011 ⁽¹⁾	Year ended October 31, 2010 ⁽¹⁾⁽²⁾
<i>(in millions of Canadian dollars except per share amounts)</i>				
Net interest income	3,003	2,795	10,600	10,338
Non-interest income	4,571	4,423	16,830	15,744
Total revenue	7,574	7,218	27,430	26,082
Provision for credit losses	267	264	975	1,240
Insurance policyholder benefits, claims and acquisition expense	1,211	567	3,360	3,546
Non-interest expense	3,671	3,669	14,453	13,469
Net income from continuing operations	1,876	1,996	6,650	5,732
Net loss from discontinued operations	(21)	(48)	(1,798)	(509)
Net Income	1,855	1,948	4,852	5,223
Earnings per share				
– basic	\$1.23	\$1.30	\$3.21	\$3.49
– diluted	\$1.21	\$1.27	\$3.19	\$3.46
Earnings per share from continuing operations				
– basic	\$1.24	\$1.34	\$4.47	\$3.85
– diluted	\$1.23	\$1.31	\$4.45	\$3.82
Return on common equity ⁽³⁾	19.7%	23.7%	12.9%	14.9%
Return on common equity from continuing operations	20.0%	24.4%	18.0%	16.5%

¹ The amounts (other than return on common equity) have been extracted from the Bank's 2011 Audited Consolidated Financial Statements prepared in accordance with Canadian GAAP and incorporated by reference in this document. The amounts under return on common equity have been extracted from the Bank's Annual Report incorporated by reference in this document.

² Comparative information has been restated to reflect the presentation of discontinued operations. For further information please refer to Notes 1 and 11 of the Bank's 2011 Audited Consolidated Financial Statements incorporated by reference in this document.

³ Consolidated return on common equity is based on net income available to common shareholders divided by total average common equity for the period. It is calculated using methods intended to approximate average of the daily balances for the period and is based on actual balances before rounding. The Bank utilises this ratio as a measurement of return on total capital invested in its businesses. Return on common equity does not have a standardised meaning under Canadian GAAP and may not be comparable to similar measures disclosed by other financial institutions. For further information please see "Key performance and non-GAAP measures" in the Bank's 2011 Annual Report.

⁴ The amounts have been extracted from the Bank's First Quarter 2012 Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IFRS and incorporated by reference in this document.

DIRECTORS

The Directors of the Bank, each of whose address is the executive offices of the Bank, Royal Bank Plaza, 200 Bay Street, South Tower, Toronto, Ontario, Canada M5J 2J5, their function in the Bank and their other principal activities (if any) outside the Bank of significance to the Bank, are as follows:

Name	Function	Other Principal Activities outside the Bank
W. Geoffrey Beattie Toronto, Ontario	Director	President and Chief Executive Officer, The Woodbridge Company Limited Deputy Chairman and Director, Thomson Reuters Corporation
The Hon. Paule Gauthier Quebec City, Quebec	Director	Senior Partner, Stein Monast L.L.P.
Richard L. George Calgary, Alberta	Director	Chief Executive Officer, Suncor Energy Inc.
Timothy J. Hearn Calgary, Alberta	Director	Chairman, Hearn & Associates
Alice D. Laberge Vancouver, British Columbia	Director	Corporate Director
Jacques Lamarre Montreal, Quebec	Director	Strategic Adviser, Heenan Blaikie LLP
Brandt C. Louie West Vancouver, British Columbia	Director	Chairman and Chief Executive Officer, H.Y. Louie Co. Limited Chairman and Director, London Drugs Limited
Michael H. McCain Toronto, Ontario	Director	President and Chief Executive Officer, Maple Leaf Foods Inc.
Dr. Heather Munroe-Blum Montreal, Québec	Director	Principal and Vice-Chancellor, McGill University
Gordon M. Nixon Toronto, Ontario	President and Chief Executive Officer and Director	Not applicable
David P. O'Brien Calgary, Alberta	Chairman of the Board and Director	Chairman and Director, EnCana Corporation

J. Pedro Reinhard Key Biscayne, Florida	Director	President, Reinhard & Associates
Edward Sonshine Toronto, Ontario	Director	President, Chief Executive Officer and Director, RioCan Real Estate Investment Trust
Kathleen P. Taylor Toronto, Ontario	Director	President and Chief Executive Officer, Four Seasons Hotels and Resorts
Bridget A. van Kralingen New York, New York	Director	Senior Vice-President, IBM Global Business Services, IBM Corporation
Victor L. Young St. John's, Newfoundland and Labrador	Director	Corporate Director

There are no potential conflicts of interests between any duties owed to the Bank by the Directors and the private interests and/or other duties owed by these individuals. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

MAJOR SHAREHOLDERS

To the extent known to the Bank, the Bank is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person from having a "significant interest" in any class of shares of the Bank, that is, from beneficially owning more than 10 per cent. of the outstanding shares of any class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20 per cent. of a class of voting shares and up to 30 per cent. of a class of non-voting shares of the Bank, subject to a "fit and proper" test based on the character and integrity of the applicant subject to any orders that may be issued by the Governor in Council. In addition, the holder of such a significant interest could not have "control in fact" of the Bank subject to any orders that may be issued by the Governor in Council.

MATERIAL CONTRACTS

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank other than, with respect to any Notes, the contracts described in "Subscription and Sale" and in "Terms and Conditions of the Notes".

RECENT DEVELOPMENTS

The Bank announced on April 3, 2012 that it has entered into a definitive agreement to acquire the 50 per cent stake that it does not already own in the joint venture RBC Dexia Investor Services Limited ("**RBC Dexia**") from Banque Internationale à Luxembourg S. A. (BIL) (formerly Dexia Banque Internationale à Luxembourg S. A.) for total consideration of

€837.5 million (Cdn\$1.1 billion) in cash. Following the closing of the transaction the Bank will own 100 per cent of RBC Dexia.

In conjunction with entering into the agreement, RBC Dexia has sold €1.4 billion (Cdn\$1.9 billion) in nominal value of Dexia Group fixed income securities back to the Dexia Group and acquired approximately an equivalent amount of U.S. dollar-denominated securities consisting primarily of notes issued by large global financial institutions. RBC Dexia will incur a loss from the sale of the Dexia Group securities and the Bank's proportionate share of this loss is approximately Cdn\$30 million after tax, which will be recorded in the Bank's second quarter 2012 financial statements. RBC Dexia's capital position is not materially impacted from this sale and purchase of securities.

With this acquisition of the other 50 per cent in RBC Dexia that the Bank does not already own, the Bank is required, from an accounting perspective, to revalue its existing investment in the joint venture to reflect the purchase price. This revaluation results in a non-cash loss of approximately Cdn\$170 million after tax, primarily reflecting the write-down of intangibles. The majority of this loss will be recorded in the Bank's second quarter 2012 financial statements.

The transaction is subject to customary closing conditions, including regulatory and other approvals, and is expected to close in mid-2012.

TAXATION

Canadian Taxation

The following summary describes the principal Canadian federal withholding tax considerations under the *Income Tax Act* (Canada) (the “**Act**”) and *Income Tax Regulations* (the “**Regulations**”) generally applicable to a holder of Securities who acquires such Securities pursuant to the Prospectus, and who, for the purposes of the Act, at all relevant times: (i) is not resident and is not deemed to be resident in Canada, (ii) deals at arm’s length with the Issuer and any Canadian resident (or deemed Canadian resident) to whom the holder assigns or otherwise transfers the Securities, (iii) does not use or hold and is not deemed to use or hold Securities in or in the course of carrying on a business in Canada, (iv) is entitled to receive all payments (including any interest, principal and Additional Amounts) made on the Securities, and (v) is not an insurer carrying on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This summary is based upon the provisions of the Act and the Regulations in force on the date hereof, proposed amendments to the Act and the Regulations in a form publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (included for this purpose in the reference to the Act and Regulations) and the current administrative policies and assessing practices published in writing by the Canada Revenue Agency. This summary assumes that such proposed amendments will be enacted as currently proposed but no assurance can be given that this will be the case. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

It is the intention of the Issuer that the terms and conditions of any Security, and in particular, any Reference Item(s) in respect of such Security, will not cause the Security to be “taxable Canadian property” (within the meaning of the Act). On this basis, this summary assumes that the Securities issued pursuant to this Prospectus will not be taxable Canadian property for Canadian federal income tax purposes. Non-resident Holders should consult their own tax advisors to determine whether a particular Security will be taxable Canadian property in their particular circumstances and to determine their Canadian federal income tax obligations in this regard.

This summary is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular person including any Non-resident Holder. This summary describes only the Canadian federal withholding tax considerations associated with a Non-resident Holder acquiring, holding and disposing of a Security and does not describe any other Canadian federal income tax considerations which may be relevant to a prospective investor’s decision to acquire Securities pursuant to the Prospectus. In particular, this summary does not describe the Canadian federal income tax considerations (including withholding tax) associated with holding or disposing of any property acquired on the repayment of, in satisfaction of, or on the exercise of, a Security. Prospective investors, including Non-resident Holders, should therefore consult their own legal and/or tax advisers with respect to their particular circumstances.

The Canadian federal withholding tax considerations applicable to Securities may be described more particularly, when such Securities are offered (and then only to the extent that they differ materially from the summary contained herein), in the Final Terms or Drawdown Prospectus, as appropriate, related thereto. In the event the Canadian federal income tax considerations are described in such Final Terms or Drawdown Prospectus, as appropriate, the following description will be superseded by the description in such document to the extent indicated therein.

Notes

Interest paid or credited or deemed to be paid or credited on a Note (including an amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving the assignment or other transfer of the Note to a resident or deemed resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation (“**Participating Debt Interest**”). A “**prescribed obligation**” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money (an “**indexed debt obligation**”) and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon, or computed by reference to, any of the criteria described in the definition of Participating Debt Interest. **If any interest paid or credited or deemed to be paid or credited on a Note is to be calculated by reference to a Reference Item which could be viewed as a proxy for the profit of the Issuer, such interest may be subject to Canadian non-resident withholding tax.**

In the event that a Note on which any interest paid or credited or deemed to be paid or credited is, or would be, Participating Debt Interest is redeemed, cancelled, repurchased, converted pursuant to Condition 29(ii), as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may, in certain circumstances, be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Note to that time, be subject to Canadian non-resident withholding tax if the Note is not considered to be an “excluded obligation” for the purposes of the Act. A Note that is not an indexed debt obligation will be an “excluded obligation” for this purpose if it was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Act) of the Note and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time.

W&C Securities

The Canadian federal withholding tax consequences to a Non-resident Holder of acquiring, holding and disposing of a Certificate that is considered debt for Canadian federal income tax purposes, will, except as otherwise indicated in the Final Terms or Drawdown Prospectus, as appropriate, generally be as described above under the heading “**Notes**”. In particular, if a Certificate is considered debt of the Issuer for Canadian federal income tax purposes, the payment by the Issuer of an Additional Amount in respect of the Certificate to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of the interest, or amounts deemed to be interest for purposes of the Act (including such Additional Amount), is Participating Debt Interest.

Except as otherwise indicated in the applicable Final Terms or Drawdown Prospectus, as appropriate, any amount paid or credited or deemed to be paid or credited to a Non-resident Holder in respect of a Warrant or a Certificate that is not considered debt for Canadian federal income tax purposes, will generally not be subject to Canadian federal withholding tax.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuer’s understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments in respect of the Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Securities. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective holders of Securities depends on their individual circumstances and may be subject to change in the future. Prospective holders of Securities 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.

Notes and Redeemable Certificates (together, the “Redeemable Securities”) issued by the Issuer’s London branch

Payments of interest on the Redeemable Securities

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the *Income Tax Act 2007* (the “**UK Act**”), and provided that the interest on the Redeemable Securities is paid in the ordinary course of its business within the meaning of section 878 of the UK Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Redeemable Securities may be made without deduction of or withholding on account of United Kingdom income tax provided that the Redeemable Securities continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the UK Act. The London Stock Exchange is a recognised stock exchange. The Redeemable Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) by the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange (which would include being admitted to trading on the London Stock Exchange Regulated Market or the Professional Securities Market). Provided, therefore, that the Redeemable Securities remain so listed,

interest on the Redeemable Securities will be payable without withholding or deduction 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.

Interest on the Redeemable Securities may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Redeemable Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Redeemable Securities may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Redeemable Securities is less than 365 days and those Redeemable Securities do not form part of a scheme of arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount generally must be withheld from payments of interest on the Redeemable Securities on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Redeemable Securities, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the holder of Redeemable Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Exercisable Certificates and Warrants issued by the Issuer's London branch

Payments in respect of the Exercisable Certificates and Warrants

Payments made in respect of the Exercisable Certificates and Warrants may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded either as interest or as annual payments for United Kingdom tax purposes.

Stamp duty and stamp duty reserve tax (SDRT) in relation to Securities

A charge to stamp duty or SDRT may, in certain circumstances, arise on the issue, transfer and/or settlement of Securities and SDRT may also be payable in relation to any agreement to transfer Securities. This will depend upon the Terms and Conditions of the relevant Securities (as amended and supplemented by the applicable Final Terms). Holders of Securities should take their own advice from an appropriately qualified professional advisor in this regard.

Reporting of information in respect of the Securities

Holders (whether or not the Securities they hold are issued by the Issuer's London branch) may wish to note that, in certain circumstances, HM Revenue & Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder. Any person in the United Kingdom (including any United Kingdom based paying agent) who pays amounts payable on redemption of Securities which are deeply discounted securities for the purposes of the *Income Tax (Trading and other Income) Act 2005* to, or receives such amounts for the benefit of, another person may also be required by

HM Revenue & Customs to provide certain information (which may include the name and address of the beneficial owner of the amount payable on redemption) to HM Revenue & Customs although HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise this power where such amounts are paid on or before April 5, 2013. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Holder is resident for tax purposes.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Tax Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Tax Directive; which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Securities as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Tax Directive.

Italian Taxation

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following summary 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 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 purchaser of Securities should consult their tax advisers as to the overall consequences of their ownership of Securities.

Tax treatment of the Securities qualifying as Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (“**Decree No. 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 Securities falling within the category of bonds (*obbligazioni*) or debentures similar to

bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers and which embed the unconditional obligation of the issuer to fully repay the principal invested upon redemption (the “**Notes**”).

Where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see “Capital Gains Tax” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. In the event that the Holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Securityholder is a company or similar commercial entity 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 Holder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Holder, also to the regional tax on productive activities (“**IRAP**”)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economy and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is an open-ended or closed-ended investment fund or an Italian investment company with variable capital (*società d'investimento a capitale variabile*) (“**SICAV**”) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (together a “**Fund**”), and the relevant 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 results of the Fund. The Fund will not be subject to taxation on such result, but a substitutive tax of 20 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the “**Collective Investment Fund Substitute Tax**”).

Where an Italian resident Securityholder 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 a 11 per cent. substitute tax.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, Italian investment firms (*società d'intermediazione mobiliare*) (SIMs), fiduciary companies, Italian asset management companies (*società di gestione del risparmio*) (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an “**Intermediary**”).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary 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 or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Securityholder.

Non-Italian Resident Holder of Notes

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident holder of Notes of interest or premium relating to the Notes provided that, if the Notes are deposited with an Intermediary in Italy, the non-Italian resident holder of Notes declares itself to be a non-Italian resident according to Italian tax regulations.

Atypical securities

Interest payments relating to Securities qualifying as debt instruments but which are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 per cent.. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay an amount not lower than their nominal value.

The 20 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of Securities 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.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Holder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident holder of Securities is an individual not holding the Securities in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of Securities from the sale or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Holders of Securities may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident

individuals holding Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity 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 of 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.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of Securities. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (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 holder of Securities or using funds provided by the holder of Securities for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities 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 the *risparmio amministrato* regime, the holder of Securities is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime 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 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of Securities is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a holder of Securities which is a Fund 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, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax. Any capital gains realised by a holder of Securities which is an Italian pension fund (subject to the regime provided for 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 11 per cent. substitute tax.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as

amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Capital gains realised by non-Italian resident holder of Securities from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

Italian taxation of Securities qualifying as derivative products: W&C Securities

The following regime may apply to payments or premium deriving from Securities that (i) do not qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) and (ii) do not generate income from the investment of capital (*reddito di capitale*) pursuant to the Article 44 of Presidential Decree No. 917 of 22 December 1986 (the Italian Income Tax Consolidated Code or IITCC), but are deemed to produce other income (*redditi diversi*) for Italian tax purposes, pursuant to Article 67 (1)(c-quarter and c-quinquies) of the IITCC. Securities falling within this category are referred to as "**W&C Securities**".

Pursuant to Article 67 of the IITCC and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident investor is (i) an individual not engaged in an entrepreneurial activity to which the W&C Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the W&C Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for the three different taxation criteria, *regime della dichiarazione*, *risparmio amministrato* and *risparmio gestito* described in the "*Capital Gains Tax*" paragraph above.

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 W&C Securities are effectively connected, capital gains arising from the W&C Securities 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 investors also as a part of the net value of production for IRAP purposes.

Any capital gains realised by Italian resident Holders which is a Fund 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, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Capital gains realised by non-Italian resident Holders are not subject to Italian taxation, provided that the W&C Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

Please note that in accordance with a different interpretation of current tax law, there is a remote possibility that the W&C Securities 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 W&C Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The 20 per cent. withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of W&C Securities and to an Italian resident holder of W&C Securities 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. This withholding is levied by any entities, resident in Italy, which intervene, in any way, in the collection of payment of the W&C Securities or in the transfer of the W&C Securities.

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 by or for benefit of an Italian tax resident are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of four per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of six per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the six per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of eight per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds executed in Italy are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in the case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for the year 2012 and at 0.15 per cent. for subsequent years; 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. The stamp duty can be no lower than EUR 34.20 and, for the year 2012 only, it cannot exceed EUR 1,200. Such stamp duty is to be clarified and implemented by a Decree of the Ministry of Economy and Finance.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Securityholders, to the extent that the Securities are held with an Italian-based financial intermediary.

Wealth Tax on Securities deposited abroad

Pursuant to Article 19(18) of Decree No. 201, Italian resident individuals holding Securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the Securities 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). This wealth tax is currently uncertain and should be clarified and implemented by a Decree of the Ministry of Economy and Finance.

Italian implementation of the EU Savings Tax Directive

Italy has implemented the EU Savings Tax 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 which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified Paying Agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Swedish Taxation

The following summary outlines certain Swedish tax consequences relating to holders of Securities that are considered to be Swedish residents for Swedish tax purposes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes. Investors should consult their professional tax advisors regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Securities in their particular circumstances.

Holders resident in Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Securities) will be taxable. Specific tax consequences, however, may be applicable to certain categories of corporations, e.g. life insurance companies. Further, specific tax consequences may be applicable if, and to the extent, a holder of Securities realizes a capital loss on the Securities and to any currency exchange gains or losses.

If amounts that are considered to be interest for Swedish tax purposes are paid by Euroclear Sweden or by another legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by Euroclear Sweden or the legal entity on such payments. Swedish preliminary taxes should normally be withheld also on other return on Securities (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

Swiss Taxation

The following is a general summary of the Issuer’s understanding of certain Swiss tax consequences in relation to dealings in the Securities according to the currently valid

Swiss tax laws and the Swiss tax authorities' practice as at the date of this Prospectus. This outline is a summary and not exhaustive and does not take into consideration possible special circumstances of some investors. Tax laws and the tax authorities' practice may undergo changes (or their interpretation or application may change) and their validity might also be retroactive.

Holders and prospective holders of Securities are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, laps or exercise or redemption of a Security in light of their particular circumstances.

1. General Information

The Swiss tax treatment of notes, bonds and other financial instruments are primarily regulated pursuant to the conditions set forth in the Circular Letter no. 15 of the Federal Tax Administration regarding the treatment of Bonds and Derivatives Financial Instruments for the purpose of the Federal Income Tax, Federal Withholding Tax and Federal Stamp Duties, as published on 7 February 2007. These rules are usually also applied by the Cantonal and Communal tax authorities. It should be noted that the Swiss tax terms "notes" and "bonds" are not consistent with the corresponding terms stipulated by Swiss security laws and the international or foreign understanding of such terms.

2. Federal Stamp Duties

2.1 Issue Stamp Tax ("Emissionsabgabe")

The issuance of Securities issued by a foreign resident issuer is in general not subject to Issue Stamp Tax ("Emissionsabgabe").

2.2 Securities Transfer Tax ("Umsatzabgabe")

Secondary market transactions of Securities which, due to specific features, are considered as (debt) financing instruments, share-like or fund-like products for purposes of Swiss tax law are subject to the Securities Transfer Tax (i) of up to 0.15% in the case of a Security which has been issued by a Swiss resident issuer or (ii) of up to 0.3% in the case of a Security which has been issued by an issuer resident abroad, provided in both cases that a Swiss securities dealer ("Effekthändler"), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties ("Stempelabgabengesetz"), is a party to the securities transaction or acts as an intermediary thereto. Furthermore, the issuance of a Security which is considered as a fund-like product for Swiss tax purposes is in general also subject to the Securities Transfer Tax. If upon the exercise or redemption of a Security an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Securities Transfer Tax. Certain exemptions may, inter alia, apply with regard to institutional investors such as mutual funds, life insurance companies and social security institutions.

3. Federal Withholding Tax ("Verrechnungssteuer")

Securities issued by a foreign resident issuer are in general not subject to Federal withholding tax.

Payments or credits of (deemed) interest or dividends on a Security issued by a Swiss resident issuer may be subject to Federal withholding tax at a rate of 35%. This may apply

likewise to payments or credits of yield from Securities which classify for tax purposes as fund-like products.

The holder of a Security who is resident in Switzerland may be entitled to a full refund of or a full tax credit for the Federal withholding tax, subject to conditions being met.

A non Swiss resident holder of a Security may be able to claim a full or partial refund of the Federal withholding tax if such a holder is entitled to claim the benefits with regard to such a payment of a double taxation treaty between Switzerland and his or her country of residence.

4. Federal Income Tax (“Direkte Bundessteuer”)

4.1 Income Taxation of Securities Held by Private Investors (Individuals) with Tax Residence in Switzerland as Part of Private Property

Gains or losses realised upon a sale or other disposition by individuals holding a Security as part of their private property (private capital gains or losses) are in general not subject to income taxation or are not deductible from taxable income respectively. Capital gains may, however, be subject to income taxation, if a Security or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield is paid in a one time payment (“überwiegende Einmalverzinsung”). Losses arising from predominant one time interest paying bonds may be deducted from gains from similar instruments in the same tax period.

Gains or losses realised by buying or selling Securities which are considered for Swiss tax purposes as pure derivatives (options and futures) are not subject to income tax as they are considered as tax-exempt capital gains or losses.

Income derived from a Security which is neither a private capital gain, as set out above, nor a repayment of paid in capital (or face value in case of shares) is generally subject to income tax. This applies, inter alia, to any issuance discount, repayment premium, other guaranteed payments (besides repayment of capital or option premium) or any combination thereof. Payments or credits received by a holder because of dividends, interest etc. of the underlying may be subject to income tax for such a holder. This may apply likewise to payments or credits derived from underlying funds.

The specific income tax treatment of a Security is depending on certain features of the Security such as pay-off structure, underlying, term, guaranteed coupon payments, capital protection etc. Some Securities may be divided into taxable bond and a tax-exempt option (or combinations of options) provided that the Security is for Swiss tax purposes made transparent by the issuer. Under the condition of transparency, the option premium paid by the issuer is exempt from income taxation. In this case the taxation is limited to the interest of the bond part which would have been paid for an investment in a comparable straight bond of the same issuer with a similar term and the same currency at market conditions. If the interest part of the Security is paid as a one-time compensation, the so-called “modifizierte Differenzbesteuerung” may apply in each case of pre-maturity sale or redemption of the Security. If a Security is not made transparent for Swiss tax purposes (only if the security needs to be transparent for Swiss tax purposes) the total payment to the investor (except the repayment of the invested capital) could be considered as taxable income.

For Swiss resident investors the taxable income needs to be converted into Swiss Francs. Therefore, for all Securities which are not issued in CHF, any change of the exchange rate to the Swiss Francs has an influence on the taxable income.

4.2 Income Taxation of Securities Held by Swiss Resident Entities or Individuals as Part of Business Property

Income of any kind realised from and losses incurred for business reasons on Securities as part of the business property of individuals (including deemed securities dealers due to frequent dealing, debt financing and similar criteria (“Wertschriftenhändler”)) or entities resident in Switzerland are subject to personal income tax or corporate income tax respectively as a part of the overall net income.

5. Wealth Taxation of Products Held by Swiss Resident Individuals

Market value of Securities may be subject to wealth tax levied on overall net wealth of Swiss resident individuals, regardless of whether the Security are held as part of the private or business property.

6. Savings Directive

On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopts measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (see section “EU Savings Directive” below). The agreement came into force as of 1 July 2005.

On the basis of this agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid by a paying agent within Switzerland to an individual resident in an EU member state. The withholding tax is withheld at a rate of 15% for the first three years beginning with 1 July 2005, 20% for the next three years and 35% thereafter, with the option of such an individual to have the paying agent and Switzerland provide to the tax authorities of the Member State details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, provided that certain conditions are met.

SUBSCRIPTION AND SALE

Notes (other than Reference Item Linked Notes) may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, RBC Europe Limited and UBS Limited (the “Dealers”). Reference Item Linked Notes and W&C Securities may be sold from time to time by the Issuer to RBC Europe Limited. Securities may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Securities may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated April 13, 2012 (as amended, supplemented or replaced, the “Dealership Agreement”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Securities, the price at which such Securities will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

RBC Europe Limited is an affiliate of the Bank.

Canada

The Securities have not been and will not be qualified for sale under the securities laws of any province or territory of Canada.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless otherwise specified in the applicable Final Terms, it has not offered, sold or distributed, and that it will not offer, sell or distribute any Securities, directly or indirectly, in Canada or to, or for the benefit of any resident thereof.

If the applicable Final Terms provides that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms or Drawdown Prospectus. Each relevant Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will not distribute or deliver this Prospectus, any Drawdown Prospectus or any other offering material relating to the Securities in Canada in contravention of the securities laws of Canada or any province or territory thereof.

Issues of Subordinated Notes may be subject to additional Canadian selling restrictions specified in the applicable Final Terms.

United States of America

Regulation S, Category 2, TEFRA D Rules apply, unless TEFRA C Rules are specified as applicable in the applicable Final Terms or unless TEFRA Rules are not applicable.

The Securities and, in certain cases, any Entitlement have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under any state securities laws, and trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act, as amended (the “**Commodity Exchange Act**”).

No Securities of any series, or interests therein or Entitlement with respect thereto, may at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the “**United States**”) or directly or indirectly offered, sold, resold, traded, pledged, redeemed, transferred or delivered to, or for the account or benefit of, any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being non-U.S. Persons; or (vii) any other “U.S. Person” as such term may be defined in Rule 902(k) of Regulation S under the Securities Act (“**Regulation S**”) or in regulations adopted under the Commodity Exchange Act (a “**U.S. Person**”).

Offers, sales, resales or deliveries of Securities of any series, or interests therein or any Entitlement with respect thereto, directly or indirectly, in the United States or to, or for the account or benefit of U.S. Persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales, resales, trades or deliveries of Securities of any series, or interests therein or any Entitlement with respect thereto, directly or indirectly, in the United States or to, or for the account or benefit of, US Persons, may constitute a violation of United States law governing commodities trading. Consequently, any offer, sale, resale, trade, pledge, redemption, transfer or delivery of any Securities of any series, or interests therein or any Entitlement with respect thereto, made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised.

Each Dealer has agreed and each further Dealer in respect of an issue of Securities will be required to agree that they will not at any time offer, sell, resell, trade, pledge, redeem, transfer or deliver, directly or indirectly, Securities of any series, or interests therein or any Entitlement with respect thereto, in the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. Person. The Issuer will also be required to notify all initial Holders, and require that such notice be repeated to all subsequent Holders, that every person exercising such Securities of any series, or interests therein or any Entitlement with respect thereto, will be required to represent that neither it nor any person on whose behalf it is acting is a U.S. Person

Each Dealer has further agreed and each further Dealer in respect of an issue of Securities will be required to agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Securities at any time except in accordance with Rule 903 of Regulation S, and that neither it, its affiliates, nor any persons acting on its or their behalf will engage in any directed selling efforts with respect to the Securities and it and they will comply with the offering restrictions requirements of Regulation S. The terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until forty days after the commencement of the offering of Securities comprising any Tranche, any offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prior to the delivery of any Entitlement in respect of a Physical Delivery Security the holder thereof will be required to represent that, inter alia, he is not a U.S. Person, the Security was not redeemed on behalf of a U.S. Person and no cash, securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a U.S. Person in connection with any exercise thereof (see Condition 10.02 in "Terms and Conditions of the Notes" and Condition 22.02 in "Terms and Conditions of the W&C Securities").

Notes in bearer form and W&C Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the applicable Final Terms in relation to the Securities specify 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 "**Non-exempt 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 applicable Final Terms contemplating such Non-exempt 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 Non-exempt 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (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 Dealer(s) 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 the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Selling Restrictions addressing additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) 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 the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Republic of France

The Issuer and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Securities to the public in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the Autorité des marchés financiers (the “**AMF**”), on the date of such 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 AMF, 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 of the French Code monétaire et financier and the Règlement général of the AMF; or

- (b) 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 Prospectus, the applicable 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 (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L 411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

This Prospectus has not been submitted for clearance to the AMF in France.

Republic of Italy

Unless it is specified within the applicable Final Terms that a non-exempt offer may be made in the Republic of Italy, the offering of any Securities has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of any Securities or distribution of copies of the Prospectus or any other document relating to any Securities in Italy under (i) or (ii) above 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 No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the “**Banking Act**”); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Provisions relating to the secondary market in Italy

Investors should note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. 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.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless it is specified within the applicable Final Terms that a non-exempt offer may be made in The Netherlands, any Securities will only be offered in The Netherlands to Qualified Investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Sweden

Each Dealer has confirmed and agreed and each further Dealer appointed under the Programme will be required to confirm and agree that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Securities or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act 1991 (*Sw. lag (1991:980) om handel med finansiella instrument*).

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**FIEA**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Securities issued by the Issuer each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a “structured product” as

defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

Switzerland

Each Dealer has acknowledged and agreed and each further Dealer appointed under the Programme will be required to acknowledge and agree as follows:

Other than in compliance with the requirements of article 5 of the CISA and article 4 of the Swiss Federal Ordinance on Collective Investment Schemes (the “**CISO**”), the Securities may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a simplified prospectus pursuant to article 5 of the CISA. Other than in compliance with the requirements of article 5 of the CISA, the Securities may only be offered, sold or advertised, and this Base Prospectus and any other offering or marketing material relating to the Securities may only be distributed in or from Switzerland by way of private placement to qualified investors within the meaning of the CISA.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, and will not offer, Securities (i) to the Public (as defined in Articles 142-146 of the *Commercial Companies Law* (Decree Law No. 21/2001) of Bahrain), or (ii) to any person in Bahrain who is not an “accredited investor”.

For this purpose, an “**accredited investor**” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or

- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

United Arab Emirates (excluding Dubai International Financial Centre)

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree as follows:

- (a) the Securities to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities; and
- (b) that the information contained in the Base Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in the Base Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

Dubai International Financial Centre

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered and will not offer the Securities to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

General

Unless otherwise specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in such country or jurisdiction where action for that purpose is required. The Dealership Agreement provides that each Dealer will comply to the best of its knowledge with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Prospectus or any such offering material, in all cases at its own expense.

The Dealership Agreement also provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the applicable Final Terms or Drawdown Prospectus (in the case of a supplement or modification relevant only to a particular Tranche of Securities) or (in any other case) in a supplement to this document.

Persons into whose hands the Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

1. Any Tranche of Securities which is to be listed on the Official List and to trading on the Market or the PSM will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Securities. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The listing of the Programme in respect of the Securities is expected to be granted on or about April 18, 2012.

Securities may be issued pursuant to the Programme which will not be admitted to the Official List or to trading on the Market or the PSM or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme and the issue of Securities was authorised by resolutions of the Board of Directors of the Issuer passed on February 29, 2012 amending and restating prior resolutions of the Board of the Issuer in respect of the Programme and Administrative Resolutions of the Board of Directors of the Issuer adopted on October 14, 2004 as amended at meetings held on November 30, 2004, August 26, 2005, October 18, 2005, December 9, 2005, April 11, 2006, August 25, 2006, January 23, 2007, May 25, 2007, November 30, 2007, May 29, 2008, January 23, 2009, December 3, 2009 reconvened on December 4, 2009 and December 2, 2010, respectively. The issue of subordinated indebtedness is also subject to a Standing Resolution of the Board of Directors dated August 26, 2011 or any subsequent resolution replacing such Standing Resolution as is specified in the Final Terms for any Subordinated Notes. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.
3. Other than the litigation disclosed in the "Litigation" paragraph in (i) Note 15 to the First Quarter 2012 Unaudited Interim Condensed Financial Statements set out on page 85 of the Bank's First Quarter 2012 Report to Shareholders and (ii) Note 25 to the 2011 Audited Consolidated Financial Statements set out on page 135 of the 2011 Annual Report and incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the twelve months prior to the date of this document, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole.
4. Since January 31, 2012, the last day of the financial period in respect of which the most recent unaudited interim condensed consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole. Since October 31, 2011, the last day of the financial period in respect of which the most recent audited published consolidated financial statements of the Bank have been prepared, there has been no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole.

5. The independent auditor of the Issuer is Deloitte & Touche LLP (“D&T”) who are Independent Registered Chartered Accountants and Licensed Public Accountants and are subject to oversight by the Canadian Public Accountability Board (“CPAB”) and Public Company Accounting Oversight Board (United States). In November 2009, D&T was accepted for transitional registration in the Register of Third Country Auditors maintained by the Professional Oversight Board in the United Kingdom in accordance with the European Commission Decision of July 29, 2008 (2008/627/EC). The European Commission has subsequently recognised the equivalence of the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities in Canada to those of the Member States, in relation to audit activities concerning the annual or consolidated accounts for financial years starting from July 2, 2010 (Decision 2011/30/EU dated January 19, 2011). D&T is independent of the Bank within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accounts of Ontario and has no material interest in the Bank. The address for D&T is set out on the last page hereof.
6. The 2011 Audited Consolidated Financial Statements prepared in accordance with Canadian GAAP, were audited in accordance with Canadian generally accepted auditing standards by D&T and in accordance with the standards of the Public Company Accounting Oversight Board (U.S.) by D&T. D&T expressed an unqualified opinion thereon in their report dated December 1, 2011, including the additional explanatory paragraph on Canada-U.S. of America Reporting Difference.
7. For so long as the Programme remains in effect or any Securities shall be outstanding, copies of the following documents may be inspected during normal business hours at the specified office of (a) the Issuing and Paying Agent and the Registrar, and (b) in respect of Securities listed on SIX Swiss Exchange, the Swiss Programme and Paying Agent and obtained from the executive and head offices of the Issuer, namely:
 - (i) the *Bank Act* (Canada) (being the charter of the Issuer) and by-laws of the Issuer;
 - (ii) the Issue and Paying Agency Agreement (which includes the form of the Global Securities, the Definitive Notes, the Certificates, the Coupons, the Receipt and the Talons), the Swiss Supplemental Agency Agreement and the Swedish Notes Issuing and Paying Agency Agreement;
 - (iii) the Dealership Agreement;
 - (iv) the Deed of Covenant for the Notes, the Deed of Covenant for the W&C Securities and the Swedish Deed of Covenant;
 - (v) the Annual Report of the Issuer for the two most recently completed fiscal years, which includes audited annual comparative consolidated financial statements of the Issuer and the auditor’s reports thereon;
 - (vi) the most recent quarterly report including the unaudited interim condensed consolidated financial statements and the auditor’s combined interim review report thereon;
 - (vii) each Final Terms for a Tranche of Securities that is offered to the public or admitted to trading on a regulated market in any Member State of the European Economic Area in circumstances requiring publication of a

prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure or admitted to trading on the PSM;

- (viii) a copy of the Prospectus together with any supplementary listing particulars or other supplement to the Prospectus or Drawdown Prospectus; and
- (ix) a copy of the subscription agreement for Securities issued on a syndicated basis which are admitted to the Official List.

In addition, copies of this Prospectus, any documents incorporated by reference and each Final Terms relating to Securities which are admitted to trading on the Market or the PSM will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> or the National Storage Mechanism at www.hemscott.com/nsm.do. Copies of the Bank's periodic financial reports may also be available for viewing under the name of the Issuer on SEDAR at www.sedar.com. Please note that websites and urls referred to herein do not form part of the Prospectus.

8. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg, SIX SIS or Euroclear Sweden, as the case may be, which are the entities in charge of keeping the records in respect of the Securities. The appropriate common code and International Securities Identification Number or other relevant identification numbers for the relevant Securities will be contained in the Final Terms relating thereto. If the Securities are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg. The address of SIX SIS is Baslerstrasse 100, CH-4601 Olten, Switzerland and the address of Euroclear Sweden is Regeringsgatan 65, P.O. Box 7822, 103 97 Stockholm, Sweden.
9. The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
10. Bearer Notes and any Coupon appertaining thereto and W&C Securities will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Note or Coupon or W&C Security generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note or Coupon or W&C Security and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
11. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Securities.
12. The Issuer has no intention to provide any post-issuance information in relation to any issue of Securities.

13. The Issuer intends to request that the UKLA deliver a certificate of approval pursuant to Section S87 I of FSMA to the competent authorities in each of Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, Poland, Portugal, Romania, Spain, Sweden and The Netherlands. The Issuer may also request that the UKLA provide competent authorities in additional Member States within the EEA with a certificate of approval.

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