

**SIXTH SUPPLEMENT DATED 13 NOVEMBER 2018  
TO THE BASE PROSPECTUS DATED 9 MAY 2018**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**  
*(incorporated in France)*

and

**CRÉDIT AGRICOLE CIB FINANCE (GUERNSEY) LIMITED**  
*(incorporated in Guernsey)*

and

**CRÉDIT AGRICOLE CIB FINANCIAL SOLUTIONS**  
*(incorporated in France)*

and

**CRÉDIT AGRICOLE CIB FINANCE LUXEMBOURG S.A.**  
*(incorporated in Luxembourg)*

**€50,000,000,000**

**Structured Debt Instruments Issuance Programme  
unconditionally and irrevocably guaranteed by**

*Arranger*

**Crédit Agricole CIB**

*Dealers*

**Crédit Agricole CIB**

**Crédit Agricole Securities Asia B.V., Tokyo Branch**

This supplement (this **Sixth Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 9 May 2018 (the **Base Prospectus**), the first supplement to the Base Prospectus dated 12 June 2018 (the **First Supplement**), the second supplement to the Base Prospectus dated 18 June 2018 (the **Second Supplement**), the third supplement to the Base Prospectus dated 27 June 2018 (the **Third Supplement**), the fourth supplement to the Base Prospectus dated 6 September 2018 (the **Fourth Supplement**), and the fifth supplement to the Base Prospectus dated 2 November 2018 (the **Fifth Supplement**) and, together with the Fifth Supplement, the Fourth Supplement, the Third Supplement, the Second Supplement and the First Supplement, the **Prior Supplements**), each in relation to the €50,000,000,000 Structured Debt Instruments Issuance Programme (the **Programme**) of Crédit Agricole Corporate and Investment Bank, Crédit Agricole CIB Finance (Guernsey) Limited, Crédit Agricole CIB Financial Solutions and Crédit Agricole CIB Finance Luxembourg S.A. (each an **Issuer** and together the **Issuers**). Unless the context otherwise requires, terms used but not otherwise defined in this Sixth Supplement shall have the meanings given to them in the Base Prospectus.

The Base Prospectus, the Prior Supplements and this Sixth Supplement together constitute a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended) (the **Prospectus Directive**). The *Commission de Surveillance du Secteur Financier* (the **CSSF**) approved the Base Prospectus on 9 May 2018. Application has been made to the CSSF for approval of this Sixth Supplement in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) (the **Prospectus Act**), which implements the Prospectus Directive.

This Sixth Supplement constitutes a supplement to the Base Prospectus for the purposes of article 16 of Directive 2003/71/EC and article 13.1 of the Prospectus Act.

Each Issuer accepts responsibility for the information contained in this Sixth Supplement. To the best of the knowledge of each Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Sixth Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus as amended by the Prior Supplements, the statement referred to in this Sixth Supplement will prevail.

References in this Sixth Supplement to provisions of the Base Prospectus are to the Base Prospectus as amended by the Prior Supplements. References in this Sixth Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made by the Prior Supplements, unless otherwise specified in this Sixth Supplement.

Save as disclosed in this Sixth Supplement or the Prior Supplements, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication thereof.

In accordance with Article 13, paragraph 2 of the Prospectus Act, investors who have already agreed to purchase or subscribe for the Securities before this Sixth Supplement is published have the right, exercisable until 15 November 2018, 5p.m. (Paris Time) to withdraw their acceptances.

The amendments included in this supplement shall only apply to final terms, the date of which falls on or after the approval of this supplement

Copies of the Base Prospectus, the Prior Supplements and this Sixth Supplement (including the documents incorporated by reference in each such Supplement) may be obtained from the registered office of Crédit Agricole Corporate and Investment Bank and the specified office of the Principal Paying Agent and will be available on the Luxembourg Stock Exchange's website: [www.bourse.lu](http://www.bourse.lu) and Crédit Agricole Corporate and Investment Bank's website: [www.ca-cib.com](http://www.ca-cib.com).

This Sixth Supplement has been prepared for the purposes of amending the "Credit Linked Conditions" (pages 656 and 725 of the Base Prospectus) and the "Form of Final Terms" (pages 195 to 453 of the Base Prospectus)), in response to (i) the inclusion and recognition by EU member states of senior non-preferred bonds in national law following the enactment of the Bank Recovery and Resolution Directive (Directive 2014/59/EU), and (ii) the recent development in market practice of referencing these new types of bonds in credit derivatives transactions including credit-linked notes. Senior non-preferred bonds are issued by financial institutions and constitute a new layer of debt ranking below a financial institution's senior debt but above its Tier 2 subordinated debt. In order to allow these bonds to be referenced in the credit derivatives market, the International Swaps and Derivatives Association, Inc. (**ISDA**) published the "Additional Provisions for Senior Non-Preferred Reference Obligations" on 8 December 2017 (the **Additional Provisions**), which set out new definitions and amendments to the 2014 Credit Derivatives Definitions (the **CDDs**, as published by ISDA on 21 February 2014) relating to these new types of senior non-preferred bonds. As the Credit Linked Conditions in Annex 2 to the Base Prospectus are intended to closely follow the provisions of the CDDs, this Sixth Supplement seeks to make corresponding changes to the Credit Linked Conditions as are made by the Additional Provisions to the CDDs.

The specific amendments to the Credit Linked Conditions (the **Amendments**) are as follows:

1. Each of the following new definitions will be added into Credit Linked Condition 10 (*Definitions*) in their correct alphabetical place:

**Senior Non-Preferred Obligation** means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed. A Senior Non-Preferred Obligation shall, for the purposes of these Credit Linked Conditions, constitute a Subordinated Obligation as defined below in this Credit Linked Condition 10 (*Definitions*).

**Senior Non-Preferred Transaction** means a Notional Credit Derivative Transaction in respect of which "Additional Provisions for Senior Non-Preferred Reference Obligations (published on December 8, 2017)" is specified as applicable. A Senior Non-Preferred Transaction shall, for the purposes of these Credit Linked Conditions, constitute a Subordinated Transaction as defined below in this Credit Linked Condition 10 (*Definitions*).

**Tier 2 Subordinated Obligation** means any obligation of the Reference Entity which meets the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the **CRR**) or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

**Traditional Subordinated Obligation** means any of the following: (a) any Tier 2 Subordinated Obligations of the Reference Entity; (b) any obligations of the Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the Reference Entity; and (c) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (a) and (b) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation. A Traditional Subordinated Obligation shall, for the purposes of these Credit Linked Conditions, constitute a Further Subordinated Obligation as defined above in this Credit Linked Condition 10 (*Definitions*).

2. The definition of "Subordination" in Credit Linked Condition 10 (*Definitions*) is amended by the addition of the following wording in the final line, after the words "after such date":

"This term "Subordination" shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction."

3. The definition of "Reference Obligation" in Credit Linked Condition 10 (*Definitions*) is amended by adding the following wording to the end of sub-paragraph (a), after the words "if any":

"provided that, where "Senior Non-Preferred Reference Obligation" is specified as applicable in the related Final Terms for the Reference Entity, then irrespective of any Original Non-Standard Reference Obligation specified in the related Final Terms, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable to the Securities and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation".

4. The definition of "Seniority Level" in Credit Linked Condition 10 (*Definitions*) is deleted and replaced with the following:

**Seniority Level** means, with respect to an obligation of the Reference Entity, (a) if "Senior Non-Preferred Reference Obligation" is specified as applicable in the related Final Terms for such Reference Entity, "Senior Non-Preferred Level", and (b) otherwise: (i) "Senior Level" or "Subordinated Level" as specified in the related Final Terms, or (ii) if no such Seniority Level is specified in the related Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (iii) "Senior Level".

5. The definition of "Notice Delivery Date" in Credit Linked Condition 10 (*Definitions*) is deleted and replaced with the following:

**Notice Delivery Date** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, an effective Notice of Publicly Available Information, have been delivered to the Issuer by the Calculation Agent.

6. The following field is added into the "Form of Final Terms", after sub-paragraph (ww) of paragraph 21 (*Credit Linked Securities*), as a new sub-paragraph (xx):

(xx) Senior Non-Preferred Reference Obligation: [Applicable][Not Applicable][As set out in the applicable table[s] in Part [C]]

7. The following field is added into Part [C] (Multiple Reference Entities) of the "Form of Final Terms", after sub-paragraph (x) on page 444, and after sub-paragraph (x) on page 446, in each case as a new sub-paragraph (y):

(y) Senior Non-Preferred Reference Obligation: [Applicable][Not Applicable]

In order to assist investors and purely for readability purposes, the Credit Linked Conditions in Annex 2 to the Base Prospectus have been reproduced in the Annex to this Sixth Supplement, in a consolidated form that incorporates the Amendments as set out in this Sixth Supplement.

**Crédit Agricole CIB**

*Dealers*

**Crédit Agricole CIB**

**Crédit Agricole Securities Asia B.V., Tokyo Branch**

The date of this Sixth Supplement is [●] November 2018

ANNEX

**ANNEX 2 – CREDIT LINKED CONDITIONS**

*This annex sets out additional terms and conditions for Securities that are Credit Linked Securities. It is only applicable to Securities, which are specified to be Credit Linked Securities in the applicable Final Terms.*

*The terms and conditions applicable to Credit Linked Securities shall comprise the General Conditions and the Additional Conditions, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Additional Conditions, the Additional Conditions shall prevail.*

*The following terms and conditions (the **Credit Linked Conditions**) shall apply to the Securities if the applicable Final Terms indicate that the Credit Linked Conditions are applicable. These Credit Linked Conditions are subject to completion in accordance with the applicable Final Terms.*

*These Credit Linked Conditions shall not apply to any Italian Securities.*

**1 GENERAL**

**1.1 Credit Terms**

The Final Terms shall specify:

- (a) the type of Credit Linked Securities, being Single Reference Entity CLSs, Nth-to-Default CLSs, or Linear Basket CLSs;
- (b) whether the Credit Linked Securities are Fixed Recovery CLSs, Leveraged CLSs, Fully Principal Protected CLSs, Partially Principal Protected CLSs or Reference Obligations Only CLSs;
- (c) the Settlement Method and, where Auction Settlement applies, the applicable Fallback Settlement Method;
- (d) the Reference Entity or Reference Entities;
- (e) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (f) the Trade Date and the Scheduled Redemption Date; and
- (g) the Floating Rate Payer Calculation Amount in respect of each Reference Entity.

**1.2 Additional Provisions**

If any Additional Provisions are specified as applicable in the applicable Final Terms, these Credit Linked Conditions shall take effect subject to the provisions thereof.

**2 REDEMPTION**

**2.1 Redemption absent satisfaction of Conditions to Settlement**

The relevant Issuer will redeem each Credit Linked Security on the related Redemption Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the Final Redemption Amount (together with interest, if any, payable thereon) unless:

- (a) the Credit Linked Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Linked Condition 2.7 (*Early redemption for Leveraged CLSs*), 2.8 (*Redemption following a Merger Event*) or 2.10 (*Redemption following an Additional Disruption Event*); or
- (b) the Conditions to Settlement have been satisfied, in which event the relevant Issuer shall redeem the Credit Linked Securities in accordance with Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*).

## 2.2 Redemption following satisfaction of Conditions to Settlement

Subject to Credit Linked Conditions 2.3 (*Nth-to-Default CLSs*), 2.4 (*Linear Basket CLSs*), 2.5 (*Principal Protected CLSs*) and 2.9 (*Suspension of Obligations*), upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, each Credit Linked Security will be subject to redemption:

- (a) if the applicable Settlement Method is "Auction Settlement", by payment of, subject to a minimum of zero, (i) the aggregate outstanding nominal amount of the Credit Linked Security (in the case of Credit Linked Securities represented by a Global Security) or the product of the Calculation Amount and the Calculation Amount Factor (in the case of Credit Linked Securities in definitive form), as the case may be, minus (ii) such Credit Linked Security's *pro rata* share of the Auction Settlement Amount minus (iii) such Credit Linked Security's *pro rata* share of the Hedge Amount (if applicable) on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the relevant Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method. If the Conditions to Settlement with respect to a new Credit Event are satisfied following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the relevant Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem the Credit Linked Securities in accordance with this Credit Linked Condition 2.2(a) by Auction Settlement;
- (b) if the applicable Settlement Method is "Physical Settlement", in accordance with Credit Linked Condition 4 (*Physical Settlement*); and
- (c) if the applicable Settlement Method is "Cash Settlement", subject to Credit Linked Condition 2.6 (*Fixed Recovery CLSs*), by payment of its *pro rata* share of, subject to a minimum of zero, (i) the aggregate outstanding nominal amount of the Credit Linked Securities (in the case of Credit Linked Securities represented by a Global Security) or the product of the Calculation Amount and the Calculation Amount Factor (in the case of Credit Linked Securities in definitive form), as the case may be, minus (ii) such Credit Linked Security's *pro rata* share of the Cash Settlement Amount minus (iii) such Credit Linked Security's *pro rata* share of the Hedge Amount (if applicable) on the Cash Settlement Date.

## 2.3 Nth-to-Default CLSs

Where the Securities are Nth-to-Default CLSs, the Conditions to Settlement shall not be satisfied with respect to the Securities until the Conditions to Settlement are satisfied with respect to the Nth Reference Entity. Where the Securities are Nth-to-Default CLSs and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Conditions to Settlement were satisfied.

## 2.4 Linear Basket CLSs

- (a) If the Credit Linked Securities are Linear Basket CLSs, then the provisions of these Credit Linked Conditions relating to redemption of Credit Linked Securities following satisfaction of Conditions to Settlement, extension of maturity of Credit Linked Securities on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Scheduled Redemption Date shall apply to each Credit Linked Security with respect to each Reference Entity separately and to the *pro rata* share of the relevant Floating Rate Payer Calculation Amount for each Reference Entity separately. The remaining provisions of these Credit Linked Conditions shall be construed accordingly.
- (b) Notwithstanding Credit Linked Condition 2.4(a), where the Credit Linked Securities are Linear Basket CLSs that are also Leveraged CLSs, upon the occurrence of the satisfaction of the Conditions to Settlement with respect to any Reference Entity, the nominal amount of each Credit Linked Security will be reduced by the Floating Rate Payer Calculation Amount or the Exercise Amount, as applicable, of such Reference Entity (the **Affected Amount**) with effect from the Interest Payment Date falling immediately before the Event Determination Date. An amount equal to (a) the Auction Final Price or Final Price, as relevant, multiplied by (b) the Floating Rate Payer Calculation Amount (such amount the **Recovery**) will be reserved and the Hedge Amount will be determined in respect of the Affected Amount. The aggregate of all Recoveries minus all Hedge Amounts, which aggregate may be a negative amount, will be added to the aggregate outstanding nominal amount for the purposes of determining the Final Redemption Amount.
- (c) If there is only a partial redemption of a Credit Linked Security in accordance with Credit Linked Condition 2.4(a) or (b) above, the provisions of these Credit Linked Conditions will continue to apply in respect of any remaining Reference Entities and the remaining provisions of these Credit Linked Conditions shall be construed accordingly.

## 2.5 Principal Protected CLSs

- (a) If "Fully Principal Protected CLS" is specified in the applicable Final Terms, then upon the satisfaction of the Conditions to Settlement in respect of a Reference Entity referenced by the Credit Linked Securities, Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*) will not apply and instead Credit Linked Condition 2.1(a) (*Redemption absent satisfaction of Conditions to Settlement*) will apply as though no Conditions to Settlement had been satisfied in respect of any Reference Entity referenced by the Credit Linked Securities.
- (b) If "Partially Principal Protected CLS" is specified in the applicable Final Terms, then upon the satisfaction of the Conditions to Settlement in respect of a Reference Entity referenced by the Credit Linked Securities, each Credit Linked Security will be redeemed in full in accordance with Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*). In the case of Partially Principal Protected CLSs, the Floating Rate Payer Calculation Amount will be different from the aggregate outstanding nominal amount of the Credit Linked Securities.

## 2.6 Fixed Recovery CLSs

Where "Cash Settlement" is the applicable Settlement Method, the Credit Linked Securities may be specified to be "Fixed Recovery CLS". The Cash Settlement Amount of a Fixed Recovery CLS shall be determined using the Final Price, as further set out in the definitions of Cash Settlement Amount and Final Price of these Credit Linked Conditions.

## 2.7 Early redemption for Leveraged CLSs

If "Leveraged CLS" is specified in the applicable Final Terms as being applicable in respect of the Securities, such Credit Linked Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent or the Registrar, as the case may be, and, in accordance with General Condition 14 (*Notices*), the Securityholders (which notice shall be irrevocable), if on any day:

- (a) "Fair Market Value Trigger" is specified as being applicable in the relevant Final Terms, the Fair Market Value Redemption Amount expressed as a percentage of the aggregate nominal amount of a Credit Linked Security of the relevant Series would be, assuming that such Series of Credit Linked Securities would be redeemed in full on such day at the applicable Fair Market Value Redemption Amount, less than or equal to the "Fair Market Value Trigger" specified in the applicable Final Terms;
- (b) "Reference Entity Spread Trigger" is specified as being applicable in the relevant Final Terms, the Reference Entity Spread (in the case of a Single Reference Entity CLS) or the weighted average Reference Entity Spread in respect of all the relevant Reference Entities (in the case of an Nth-to-Default CLS or a Linear Basket CLS) exceeds the Reference Entity Spread Trigger specified in the applicable Final Terms; and/or
- (c) "Reference Entity Trigger" is specified as being applicable in the relevant Final Terms, the number of Reference Entities in respect of which a Credit Event has occurred exceeds the Reference Entity Trigger specified in the applicable Final Terms,

in each case as determined by the Calculation Agent in its sole and absolute discretion. The relevant event need not be continuing at the time any notice is delivered under this Credit Linked Condition 2.7.

Credit Linked Securities redeemed pursuant to this Credit Linked Condition 2.7 will be redeemed at their Fair Market Value Redemption Amount.

## 2.8 Redemption following a Merger Event

If this Credit Linked Condition 2.8 is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the relevant Issuer may give notice to the Securityholders in accordance with General Condition 14 (*Notices*) and redeem all but not some only of the Credit Linked Securities at the Fair Market Value Redemption Amount (determined in accordance with General Condition 6.8 (*Fair Market Value Redemption Amounts*)) on the Merger Event Redemption Date.

## 2.9 Suspension of Obligations

If a Credit Event Resolution Request Date occurs or if a notice is delivered to ISDA as contemplated in the definition of "Credit Event Resolution Request Date" in relation to any Reference Entity, then (unless the relevant Issuer otherwise elects by notice to the Calculation Agent and the Securityholders) from the date delivery of such notice is effective (and notwithstanding that the relevant Credit Derivatives Determinations Committee has yet to determine whether Publicly Available Information is available or that a Credit Event has occurred), any obligation of the relevant Issuer to redeem any Credit Linked Security (including pursuant to Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*)) or pay any amount of interest which would otherwise be due thereon shall, insofar as it relates to the relevant Reference Entity, be and remain suspended until such time as ISDA subsequently publicly



announces that the relevant Credit Derivatives Determinations Committee has Resolved with respect to such Reference Entity:

- (a) the matters described in the definition of "DC Credit Event Question" in Credit Linked Condition 10 (*Definitions*); or
- (b) not to determine such matters.

During such suspension period, the relevant Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit Linked Securities, in each case insofar as they relate to the relevant Reference Entity. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved the matters set out in paragraphs (a) and (b) above, such suspension shall terminate and any obligations so suspended shall resume on the basis of such resolution on the CLS Business Day following such public announcement by ISDA, with the relevant Issuer having the benefit of the full day notwithstanding when the suspension began. Any amount of interest so suspended shall, subject always to Credit Linked Condition 3.1 (*Cessation of Interest Accrual*), become due on the date determined by the Calculation Agent, in its sole discretion but not later than fifteen Business Days following such public announcement by ISDA. Any amount of nominal so suspended shall also, subject always to Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*), become due on the date determined by the Calculation Agent, in its sole discretion but not later than fifteen Business Days following such public announcement by ISDA.

Where payment of interest or nominal is suspended in accordance with this Credit Linked Condition 2.9, no interest shall accrue on such interest or nominal.

#### **2.10** Redemption following an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem the Securities by giving notice to Securityholders in accordance with General Condition 14 (*Notices*). If the Securities are so redeemed, the relevant Issuer will pay an amount to each Securityholder in respect of each Security as shall be determined to be the Fair Market Value Redemption Amount (determined in accordance with General Condition 6.8 (*Fair Market Value Redemption Amounts*)). Payments will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 14 (*Notices*).

In determining the fair market value of the Credit Linked Securities, the Calculation Agent shall take into consideration all information, which it deems relevant (including, without limitation, market conditions).

This Credit Linked Condition 2.10 shall not apply if the Final Terms specify that none of the "Additional Disruption Events" shall apply.

#### **2.11** Miscellaneous provisions relating to Redemption

If the Credit Linked Securities are partially redeemed (or the aggregate nominal amount of the Credit Linked Securities is otherwise reduced in accordance with the provisions of these Credit Linked Conditions) and the relevant Credit Linked Securities or, if the Credit Linked Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such partial redemption (or, as applicable, such reduction of the aggregate nominal amount). Accordingly, upon such partial redemption (or, as applicable, such reduction of the aggregate nominal amount), the outstanding nominal amount of each Security shall be reduced for all purposes (including accrual of interest thereon) accordingly but where the relevant redemption occurs pursuant to Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*), the

amount of interest due shall be determined in accordance with Credit Linked Condition 3 (*Interest*) and, where applicable, subject to Credit Linked Condition 3.4 (*Guaranteed Interest*).

Redemption of any Credit Linked Security in accordance with Credit Linked Condition 2 (*Redemption*), together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the relevant Issuer in relation thereto.

Any amount payable under Credit Linked Condition 2 (*Redemption*) shall be rounded downwards to the nearest sub-unit of the relevant currency.

### 3 INTEREST

#### 3.1 Cessation of Interest Accrual

(a) Upon the satisfaction of the Conditions to Settlement in respect of any Credit Linked Securities, interest on such Credit Linked Securities (or, in the case of Linear Basket CLSs, the relevant portion thereof determined in accordance with Credit Linked Condition 2.4 (*Linear Basket CLSs*)) shall cease to accrue with effect from and including either:

(i) the Interest Period Date immediately preceding the related Event Determination Date (or, in the case of the first Interest Accrual Period, the Interest Commencement Date) (**CIA Type 1**);

(ii) the related Event Determination Date (in which case such Event Determination Date shall be deemed to be an Observation Date for the purposes of determining the interest accrued to (but excluding) such Event Determination Date)) (**CIA Type 2**); or

(iii) the Scheduled Redemption Date (**CIA Type 3**),

as specified in the applicable Final Terms.

(b) If (i) Credit Linked Condition 2.8 is specified as applicable in the applicable Final Terms and the Calculation Agent determines that a Merger Event has occurred or (ii) the relevant Issuer elects to redeem the Securities pursuant to Credit Linked Condition 2.10 following a determination by the Calculation Agent that an Additional Disruption Event has occurred, in each case in respect of any Credit Linked Securities, interest on such Credit Linked Securities shall cease to accrue with effect from and including, the Interest Payment Date immediately preceding such determination.

#### 3.2 Interest following Scheduled Redemption

Notwithstanding Credit Linked Condition 3.1 (*Cessation of Interest Accrual*), each Credit Linked Security shall only accrue interest up to (but excluding) the Scheduled Redemption Date.

#### 3.3 Interest Payment Dates

If the Credit Linked Securities are redeemed pursuant to the General Conditions or these Credit Linked Conditions, the Scheduled Redemption Date, the Redemption Date (if not the Scheduled Redemption Date), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Linked Security (or, in the case of Linear Basket CLSs, the relevant portion thereof determined in accordance with Credit Linked Condition 2.4 (*Linear Basket CLSs*)) and the relevant Issuer shall pay any interest that has accrued in respect of each Credit Linked Security (or, as applicable, the relevant portion thereof determined in accordance with Credit Linked Condition 2.4 (*Linear Basket*

CLSs)) on such Interest Payment Date, subject to Credit Linked Condition 3.1 (*Cessation of Interest Accrual*) above.

### 3.4 Guaranteed interest

Where CIA Type 3 is specified as being applicable in the Final Terms, the last Interest Accrual Period will end on, but exclude, the Scheduled Redemption Date, notwithstanding the occurrence of a Credit Event, any subsequent satisfaction of the Conditions to Settlement and any redemption of the Securities in accordance with Credit Linked Condition 2.2 (*Redemption following satisfaction of Conditions to Settlement*) or Credit Linked Condition 4 (*Physical Settlement*). Notwithstanding General Condition 4 (*Interest*), interest will be calculated by reference to the Calculation Amount (whether or not the Securities are then represented by a Global Security) applicable to each Security for each relevant Interest Accrual Period regardless of the nominal amount then outstanding of such Security.

## 4 PHYSICAL SETTLEMENT

### 4.1 Delivery and payment

If Physical Settlement applies to any Credit Linked Security, then, upon the satisfaction of the related Conditions to Settlement, the relevant Issuer, or any third party appointed at its discretion, shall, on or prior to the related Physical Settlement Date and subject to Credit Linked Condition 4.2 (*Partial Cash Settlement Due to Impossibility, Impracticality or Illegality*), Credit Linked Condition 4.3 (*Non-Delivery of Deliverable Obligations*) and Credit Linked Condition 4.6 (*Asset Transfer Notice*), redeem such Credit Linked Security or, in the case of Linear Basket CLSs, the relevant portion thereof determined in accordance with Credit Linked Condition 2.4 (*Linear Basket CLSs*), respectively, by:

- (a) delivering a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement (the **Physical Settlement Amount**);
- (b) paying such Security's *pro rata* portion of the related Physical Settlement Adjustment Rounding Amount; and
- (c) if the Hedge Amount is expressed as a negative number, paying such Security's *pro rata* portion of an amount equal to the absolute value of such *pro rata* portion.

### 4.2 Partial Cash Settlement Due to Impossibility, Impracticality or Illegality

If, due to an event beyond the control of the relevant Issuer, it is in the opinion of the Calculation Agent, impossible, impractical (including, without limitation, due to the relevant Issuer receiving insufficient or incorrect account or transfer information) or illegal for the relevant Issuer to Deliver or, due to an event beyond the control of the relevant Issuer or any Securityholder, it is in the opinion of the Calculation Agent impossible, impractical or illegal for the relevant Issuer or the relevant Securityholder to accept Delivery of any of the Deliverable Obligations specified in a Notice of Physical Settlement on the related Physical Settlement Date, then on such date the relevant Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible, practicable and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the relevant Issuer shall pay the relevant Securityholders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Securityholders on the Partial Cash Settlement Date.

### 4.3 Non-Delivery of Deliverable Obligations

If the relevant Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement other than as a result of an event or circumstance contemplated in Credit Linked Condition 4.2 (*Partial Cash Settlement Due to Impossibility, Impracticality or Illegality*) (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an event of default for the purpose of the Securities and the relevant Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the relevant Issuer shall pay to the Securityholders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the Securityholders on the Partial Cash Settlement Date.

#### 4.4 Aggregation and Rounding

Where a Securityholder holds Credit Linked Securities in an aggregate nominal amount greater than the Specified Denomination, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Linked Securities shall be aggregated for the purposes of this Credit Linked Condition 4. If the Outstanding Amount of the Deliverable Obligations to be Delivered in respect of each Credit Linked Security to be redeemed pursuant to this Credit Linked Condition 4.4 on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the Outstanding Amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the relevant Issuer or such other agent as may be appointed by the relevant Issuer for such purpose and, if they are so sold, the relevant Issuer shall make payment in respect of each Credit Linked Security in an amount equal to its *pro rata* share of the related net sale proceeds as soon as reasonably practicable following receipt thereof which date shall not in any event fall earlier than the Partial Cash Settlement Date.

#### 4.5 Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit Linked Condition 4 shall be made in such commercially reasonable manner as the relevant Issuer shall, in its sole discretion, determine to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

- (a) any recordation, processing or similar fee reasonably incurred by the relevant Issuer and/or any of its Affiliates and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the relevant Securityholders, and if any stamp tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Securityholders; and
- (b) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Securityholders, determined in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Securityholders have been paid to the satisfaction of the relevant Issuer.

#### 4.6 Asset Transfer Notice

A Securityholder will not be entitled to any of the amounts or assets specified as being due to it in this Credit Linked Condition 4 upon the satisfaction of the Conditions to Settlement unless it has complied with Credit Linked Condition 4.7 (*Physical Settlement Procedures*). For so long as the Credit Linked Securities are held in any clearing system, any communication from such clearing system on behalf of the Securityholder containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Securities are represented by a Global Security, surrender of Credit Linked Securities for such purpose will be effected by presentation of the Global Security and its endorsement to note the nominal amount of Credit Linked Securities to which the relevant Asset Transfer Notice relates.

#### 4.7 Physical Settlement Procedures

##### (a) Procedure by Securityholders

If any Credit Linked Security falls to be redeemed and Physical Settlement is specified to be the Settlement Method or the Fallback Settlement Method in the applicable Final Terms, any delivery of the Physical Settlement Amount shall be in accordance with any applicable securities laws and the provisions set out in this Credit Linked Condition 4.7.

- (i) In order to receive the Physical Settlement Amount, the relevant Securityholder shall (or shall procure that a depository, custodian or entity with which it has a similar relationship in respect of the Securities shall on its behalf), (I) at least three (3) Business Days, or such other number of Business Days as may be specified in the applicable Final Terms or (II) such lesser number of Business Days determined by the Issuer in its sole discretion and notified to Securityholders in respect of the relevant Series of Securities, in each case prior to the Physical Settlement Date:
  - (A) if the Credit Linked Securities are represented by a Global Security, present a notice to DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, with a copy to any Paying Agent or the Registrar, as the case may be, and the relevant Issuer, via the EUCLID System or any equivalent or successor system (a **EUCLID Notice**); or
  - (B) if the Credit Linked Security is in definitive form, surrender to the Paying Agent or the Registrar, as the case may be, the Definitive Security (which expression shall, for the purposes of this Credit Linked Condition 4.7, include Receipt(s) and, if applicable, all unmatured Coupons, in accordance with the provisions of General Condition 5 (*Payments*)), a completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the **Asset Transfer Notice**) (a copy of which may be obtained from the specified office of any of the Paying Agents) with a copy to the relevant Issuer.
- (ii) Each of a EUCLID Notice and an Asset Transfer Notice, as the case may be, is referred to herein as a **Notice**.
- (iii) The EUCLID Notice referred to above must:
  - (A) specify the name and address of the relevant Securityholder and the person from whom the Delivery Agent may obtain details for the delivery of the Physical Settlement Amount;

- (B) specify the number of Credit Linked Securities which are the subject of such notice and the number of the Securityholder's account at DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Credit Linked Securities;
  - (C) irrevocably instruct and authorise DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Securityholder's account with such Credit Linked Securities on the date on which such Credit Linked Securities are redeemed in accordance with Credit Linked Condition 4.1 (*Delivery and payment*);
  - (D) provide the Securityholder's certification whether it is a U.S. person, or a person acting on behalf of a U.S. person, or a person within the United States (as such terms are defined in Regulation S under the Securities Act); and
  - (E) authorise the production of such notice in any applicable administrative or legal proceedings.
- (iv) The Asset Transfer Notice referred to above must:
- (A) specify the name and address of the person from whom the Delivery Agent may obtain details for delivery of the Physical Settlement Amount;
  - (B) authorise the production of such notice in any applicable administrative or legal proceedings; and
  - (C) provide the Securityholder's certification whether it is a U.S. person, or a person acting on behalf of a U.S. person, or a person within the United States (as such terms are defined in Regulation S under the Securities Act).
- (v) No Notice may be withdrawn after receipt thereof by DTC, Euroclear or Clearstream, Luxembourg, the Paying Agent, the Registrar or the relevant Issuer, as the case may be.
- (vi) After delivery of such Notice, the relevant Securityholder may not transfer the Credit Linked Securities, which are the subject of such Notice, and no transfers of the Credit Linked Securities specified therein represented by a Global Security will be effected by DTC and/or Euroclear and/or Clearstream, Luxembourg.
- (vii) Any determination as to whether a notice is valid and has been properly completed and delivered as provided in this Credit Linked Condition 4.7 shall be made by DTC, Euroclear or Clearstream, Luxembourg or the relevant Issuer, as the case may be, after consultation with the Delivery Agent and shall be conclusive and binding on the relevant Issuer and the relevant Securityholder.
- (b) Procedure by the relevant Issuer and others

Upon receipt of a duly completed Notice and (in the case of Credit Linked Securities in definitive form) the Definitive Security to which such Notice relates, the relevant Paying Agent or the Registrar, as the case may be, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the account holder is the holder of the Credit Linked Securities referred to therein according to its books.

Subject as provided herein, in relation to each Credit Linked Security, the Physical Settlement Amount will be delivered at the risk of the relevant Securityholder in such commercially reasonable manner as the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery on the due date for redemption for the Credit Linked Securities, provided that the relevant Credit Linked Security in definitive form and the Notice are delivered not later than the close of business in Luxembourg on the date (the **Notice Cut-Off Date**) which is five (5) Business Days (or such other number of Business Days as may be specified in the applicable Final Terms) before the due date for redemption of the Credit Linked Securities.

(c) Delay or Failure to Deliver Notice

If the Notice and, in the case of Credit Linked Securities in definitive form, the Definitive Security to which such Notice relates are delivered to the relevant Issuer later than close of business on the Notice Cut-Off Date, then the Physical Settlement Amount will be delivered as soon as practicable after the due date for redemption of the Credit Linked Securities, at the risk of such Securityholder.

For the avoidance of doubt, without prejudice to Credit Linked Condition 4.1(b) and 4.1(c), such Securityholder shall not be entitled to any payment or other assets, whether of interest or otherwise, in the event of the delivery of the Physical Settlement Amount falling after the due date for redemption of the Credit Linked Securities pursuant to the provisions of this Credit Linked Condition 4.7 or otherwise due to circumstances beyond the control of the relevant Issuer.

If the relevant Securityholder fails to validly deliver a Notice, or procure that a Notice is validly delivered on its behalf, in the manner set out in these Conditions or delivers a Notice, or procures that a Notice is delivered, on any day falling after the day that is 180 calendar days after the Notice Cut-Off Date or, in the case of Credit Linked Securities in definitive form, fails to deliver the Definitive Security related thereto, or procure that such Definitive Security is delivered, or fails to pay the expenses referred to in Credit Linked Condition 4.5 (*Delivery and Fees*), the relevant Issuer shall be discharged from its obligation in respect of such Credit Linked Security and shall have no further obligation or liability whatsoever in respect thereof.

(d) Delivery at risk of Securityholder

Delivery of the Physical Settlement Amount by the relevant Issuer to the Securityholder shall be at the risk of the Securityholder and no additional payment or delivery will be due to a Securityholder where the Physical Settlement Amount is delivered after its due date in circumstances beyond the control of either the relevant Issuer or the Delivery Agent.

(e) No further liability of Issuer

After delivery of the Physical Settlement Amount by the relevant Issuer to a Securityholder pursuant to this Credit Linked Condition 4.7 but prior to the time when the Securityholder (or his designee) becomes registered as a holder or lender of record (as the case may be) of the relevant Deliverable Obligation (the **Intervening Period**), neither the relevant Issuer nor its agent or nominee shall (i) be under any obligation to deliver to such Securityholder or any subsequent beneficial owner of such relevant Deliverable Obligation any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the relevant Issuer or its agent or nominee in its capacity as the registered holder or lender of record (as the case may be) of such relevant Deliverable Obligation, (ii) exercise any or all rights (including voting rights) attaching to such

relevant Deliverable Obligation during the Intervening Period without the prior written consent of the relevant Securityholder, provided that neither the relevant Issuer nor its agent or nominee shall be under any obligation to exercise any such rights during the Intervening Period, or (iii) be under any liability to such Securityholder or any subsequent beneficial owner of such relevant Deliverable Obligation in respect of any loss or damage which such Securityholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the relevant Issuer or its agent or nominee being registered during such Intervening Period as legal owner of such relevant Deliverable Obligation.

## 5 PROVISIONS RELATING TO TIMING AND FRUSTRATION

### 5.1 No frustration

In the absence of other reasons, performance of the Issuer's obligations under the Securities will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) a Reference Entity does not exist on, or ceases to exist on or following, the Issue Date; and/or
- (b) Obligations, Valuation Obligations, Deliverable Obligations, Specified Deliverable Obligations or Reference Obligations do not exist on, or cease to exist on or following, the Issue Date.

### 5.2 Timing

Subject to the paragraph below and the provisions relating to Notices set out herein, in order to determine the day on which an event occurs, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Calculation Agent determines that the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

If a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight by reference to Greenwich Mean Time (or, if the Calculation Agent determines that the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), irrespective of the time zone of its place of payment.

## 6 SUCCESSION EVENT

### 6.1 Single Reference Entity

Where the Securities are Single Reference Entity CLSs and a Succession Event has occurred and more than one Successor has been identified (each a **Successor Reference Entity**):

- (a) each Successor Reference Entity will be a Reference Entity for the purposes of each Credit Linked Security;
- (b) in respect of each Successor Reference Entity, the Floating Rate Payer Calculation Amount will be the Floating Rate Payer Calculation Amount applicable to the original Reference Entity divided by the number of Successor Reference Entities; and



- (c) all other terms and conditions of the original Credit Linked Securities will be replicated in each deemed new Credit Linked Security except to the extent that modification is required, as determined by the Calculation Agent in its sole discretion, to preserve the economic effects of the original Credit Linked Securities in the deemed new Credit Linked Securities (considered in the aggregate).

## 6.2 Nth-to-Default CLSs

Where the Securities are Nth-to-Default CLSs:

- (a) where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each Credit Linked Security will be deemed for all purposes to have been divided into a number of new Credit Linked Securities equal to the number of Successors. Each such new Credit Linked Security shall include a Successor and each and every one of the Reference Entities unaffected by such Succession Event and the provisions of Credit Linked Conditions 6.1(a) to 6.1(c) (inclusive) shall apply thereto;
- (b) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the **Surviving Reference Entity**) (other than a Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the **Legacy Reference Entity**) pursuant to a Succession Event, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and
- (c) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Event) would be a Successor to a Legacy Reference Entity pursuant to a Succession Event:
  - (i) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
  - (ii) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity. For the avoidance of doubt, the deemed new Credit Linked Securities will continue to be represented by the original Credit Linked Securities.

## 6.3 Linear Basket CLSs

Where the Credit Linked Securities are Linear Basket CLSs, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Event (the **Affected Entity**):

- (a) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in paragraph (b) below);
- (b) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);
- (c) the Floating Rate Payer Calculation Amount for each such Successor will equal the Floating Rate Payer Calculation Amount of the Affected Entity divided by the number of Successors; and
- (d) the Calculation Agent may, at its discretion, make any modifications to the terms of the Securities, which may be required to preserve the economic effects of the Securities prior to the Succession Event (considered in the aggregate).

#### 6.4 Substitute Reference Obligations

With respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the Calculation Agent will identify the obligation (the **Substitute Reference Obligation**) that will replace one or more Reference Obligations, in accordance with the following procedures:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraph (c) and (d) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraph (a) or (c) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (b) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (c) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the "Not Subordinated" Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
    - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (b) of the definition of Deliverable Obligation;
    - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (b) of the definition of Deliverable Obligation;
  - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

- (II) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (b) of the definition of Deliverable Obligation; or if no such obligation is available,
  - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan) or, if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (b) of the definition of Deliverable Obligation; or
- (C) if the Non-Standard Reference Obligation was a Loan, which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
  - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan) or if no such obligation is available,
  - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (b) of the definition of Deliverable Obligation; or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (b) of the definition of Deliverable Obligation.
- (d) If more than one specific Substitute Reference Obligation is identified pursuant to the process described in in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the relevant Issuer under the Securities, as determined by the Calculation Agent. The Substitute Reference Obligation will replace the Non-Standard Reference Obligation on such date as determined by the Calculation Agent, which is expected to be as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above. Information about the occurrence of a Substitute Reference Obligation with a description in reasonable detail of the facts relevant to the determination of the Substitute Reference Obligation, including the identity thereof and the date of substitution, may be requested at any time by the Securityholders at the specified office of the Calculation Agent (subject to proof of ownership of such Securities in a form acceptable to the Calculation Agent).
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation. For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

## 7 ADDITIONAL PROVISIONS

### 7.1 Provisions relating to LPN Reference Entities

The following provisions shall apply if the applicable Final Terms provide that "LPN Reference Entity" is applicable:

- (a) Multiple Holder Obligations will not be applicable with respect to any Reference Obligation and any Underlying Loan;
- (b) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
- (c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
- (d) with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the Outstanding Principal Balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation;
- (e) each LPN Reference Obligation is issued for the purpose of providing funds for the LPN Issuer to finance its loan to the Reference Entity. For the purposes of the Securities, each such loan shall be an Underlying Loan; and
- (f) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

### 7.2 Additional provisions applicable if a Reference Entity in the applicable Final Terms is a "Monoline Insurer"

The following provisions will apply if the applicable Final Terms provide that "Monoline Insurer" is applicable:

#### *Specific Definitions*

**Monoline Insurer** means the entities (i) listed in the Monoline Insurer Reference Entities document published by ISDA on 31 August 2010 where the Current Reference Entity Names (as such term is defined in this document) are ACA Financial Guaranty Corporation, Ambac Assurance Corporation, Assured Guaranty Corp., CDC IXIS Financial Guaranty North America, Inc, Financial Guaranty Insurance Company (FGIC), Assured Guaranty Municipal Corp., MBIA Insurance Corporation, Radian Asset Assurance Inc., Syncora Guarantee Inc or any Successor of the aforementioned or (ii) added to the list of sub-paragraph (i) above by any document published by ISDA which would modify and/or cancel and replace the Monoline Insurer Reference Entities document.

**Qualifying Policy** means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the **Insured Instrument**) for which another party (including a special purpose entity or trust) is the obligor (the **Insured Obligor**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument

Payments). Whether Cash Settlement or Physical Settlement is applicable in the applicable Final Terms, in particular for the purpose of the determination of Obligation and Deliverable Obligation, the benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

**Instrument Payments** means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to Limited Recourse Provisions and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

**Limited Recourse Provisions** means provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument.

**Certificate Balance** means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

#### *Obligation and Deliverable Obligation*

In subparagraph (a) of the definition of "Obligation" and subparagraph (b) of the definition of "Deliverable Obligation", the terms "or Qualifying Policy" are added after "or as provider of a Relevant Guarantee".

#### *Interpretation of Provisions*

In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of (x) the second part of the definition of "Qualifying Guarantee", starting with "If an Obligation" and (y) the definitions of "Due and Payable Amount" and "Outstanding Principal Balance" will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

- (a) the Obligation Category "Borrowed Money" and the Obligation Category and Deliverable Obligation Category "Bond" shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category "Bond" shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;
- (b) references in the definitions of "Assignable Loan" and "Consent Required Loan" to the guarantor and guaranteeing shall be deemed to include the insurer and the insuring, respectively;
- (c) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
- (d) if the Assignable Loan, Consent Required Loan or Transferable Deliverable Obligation Characteristics are specified as "Applicable" in the applicable Final Terms and if the

benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;

- (e) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
- (f) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Policy must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of "Not Subordinated", if "Not Subordinated" is specified as "Applicable" in the applicable Final Terms.

#### *Outstanding Principal Balance*

In paragraph (a) of the definition of "Outstanding Principal Balance", references to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any Limited Recourse Provisions shall be disregarded for the purposes of paragraph (b)(B) of the definition of "Outstanding Principal Balance" provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

#### *Deliver*

For purposes of the definition of "Deliver", "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.

#### *Provisions for Determining a Successor*

Paragraphs (a), (d) and (f) of the definition of "Successor" are amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". Paragraph (f) is amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".

#### *Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event*

The definition of "Original Non-Standard Reference Obligation", paragraph (c)(i) of Credit Linked Condition 6.4 and paragraph (c) of the definition of "Substitution Event" are amended by adding "or Qualifying Policy" after "a guarantee".

#### *Restructuring*

- (a) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, part (a)(i) to (v) in the definition of "Restructuring" is amended to read as follows:

- (i) a reduction in the rate or amount of the Instrument Payments described in clause (A)(x) of the definition of "Instrument Payment" that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
  - (ii) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition of "Instrument Payment" that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition of "Instrument Payment" or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition of "Instrument Payment", in each case that are guaranteed or insured by the Qualifying Policy;
  - (iv) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
  - (v) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (b) Subparagraph (b)(iv) of the definition of "Restructuring" is deleted in its entirety and replaced by the following:
- "the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (a)(v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority or a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy".
- (c) The definition of "Restructuring" is amended by the addition of the following:
- "(e) For purposes of paragraphs (a) and (b) above and the definition of "Multiple Holder Obligation", the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in paragraph (a) above shall be deemed to refer to the Insured Obligor and the reference

to the Reference Entity in paragraph (b) above shall continue to refer to the Reference Entity."

*Fully Transferable Obligation and Conditionally Transferable Obligation*

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of "Conditionally Transferable Obligation" to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final redemption date", as such term is used in Credit Linked Condition 8.2 (*Mod R*) or 8.3 (*Mod Mod R*) in the definitions of "Mod R" and "Mod Mod R", and in the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

*Other Provisions*

For purposes of the definition of "Credit Event" and the definition of "Deliver", references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively.

**8** RESTRUCTURING CREDIT EVENT

**8.1** Multiple Credit Event Notices

Upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity for which Restructuring is an applicable Credit Event and either "Mod R" or "Mod Mod R" is specified in the applicable Final Terms:

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Floating Rate Payer Calculation Amount to which such Restructuring Credit Event applies (the **Exercise Amount**) provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Floating Rate Payer Calculation Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;
- (b) the provisions of these Credit Linked Conditions shall be deemed to apply to an aggregate outstanding nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly; and
- (c) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Floating Rate Payer Calculation Amount is denominated or any integral multiple thereof or the entire relevant Floating Rate Payer Calculation Amount.

In the case of an Nth-to-Default CLS, once the Conditions to Settlement have been satisfied in respect of the Nth Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit Linked Securities are deemed to have been divided into new Credit Linked Securities pursuant to Credit Linked Condition 6 (*Succession Event*)).



If any Credit Linked Security is subject to partial redemption in accordance with this Credit Linked Condition 8, the relevant Credit Linked Security or, if the Credit Linked Securities are represented by a Global Security, such Global Security shall be endorsed to reflect such partial redemption.

This Credit Linked Condition 8.1 shall not be applicable in respect of a Reference Entity for which Restructuring is an applicable Credit Event and M(M)R Restructuring is not specified as applicable in the applicable Final Terms.

## 8.2 Mod R

- (a) If Physical Settlement or Cash Settlement applies (whether as Settlement Method as or Fallback Settlement Method) in respect of any Reference Entity for which "Mod R" is specified as "Applicable" in the applicable Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Calculation Agent, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be specified in the Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) or, as the case may be, a Valuation Obligation may only be selected by the Calculation Agent, if such Deliverable Obligation or Valuation Obligation (i) is a Fully Transferable Obligation and (ii) has a final redemption date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of both the NOPS Effective Date and the Delivery Date or the Relevant Valuation Date, as the case may be.
- (b) For the purposes of making a determination pursuant to the above, final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.
- (c) If a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to a Notional Credit Derivatives Transaction, the condition set out in subparagraph (a)(ii) au-dessus shall not be applicable.

## 8.3 Mod Mod R

- (a) If Physical Settlement or Cash Settlement applies (whether as Settlement Method as or Fallback Settlement Method) in respect of any Reference Entity for which "Mod Mod R" is specified as "Applicable" in the applicable Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be specified in the Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) or, as the case may be, a Valuation Obligation may only be selected by the Calculation Agent if it (i) is a Conditionally Transferable Obligation and (ii) has a final redemption date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of both the NOPS Effective Date and the Delivery Date or the Relevant Valuation Date, as the case may be.
- (b) Notwithstanding the foregoing, for purposes of the paragraph above in this definition of Mod Mod R, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

- (c) For the purposes of making a determination pursuant to the above, final maturity date shall, subject as set out above, be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.
- (d) If a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to a Notional Credit Derivatives Transaction, the condition set out in subparagraph (a)(ii) au-dessus shall not be applicable.
- (e) In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the relevant Issuer shall, as soon as reasonably practicable, notify the relevant Securityholders of such refusal (or deemed refusal) and:
  - (i) each such Securityholder may designate a third party (which may or may not be an Affiliate of such Securityholder) to take Delivery of the Deliverable Obligation on its behalf; and
  - (ii) if a Securityholder does not designate a third party that takes Delivery on or prior to the date which is three (3) CLS Business Days after the Physical Settlement Date, then the relevant Issuer will redeem the Securities, which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Securityholder. Credit Linked Condition 4.4 (*Aggregation and Rounding*) shall not apply to this sub-paragraph.

#### **8.4 Multiple Holder Obligations**

Unless "Multiple Holder Obligations" is specified as not applicable in the Final Terms, then notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a)(i) to (v) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

### **9 MISCELLANEOUS PROVISIONS RELATING TO CREDIT LINKED SECURITIES**

#### **9.1 Determinations of the Calculation Agent**

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit Linked Conditions shall be final and binding on the relevant Issuer, the Guarantor (if applicable) and the Securityholders in accordance with the General Conditions. In performing its duties pursuant to the Credit Linked Securities, the Calculation Agent shall act in its sole and absolute discretion and, unless otherwise expressly stated in these Credit Linked Conditions, is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determination Committee. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Linked Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion,

and none of the Calculation Agent, the relevant Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

## 9.2 Change in Standard Terms and Market Conventions

The Calculation Agent, acting reasonably, may amend these Credit Linked Conditions from time to time to the extent that it determines necessary in order to ensure consistency with prevailing market standards or market trading conventions (as established pursuant to the agreement of the leading dealers in the credit derivatives market or any relevant committee established by ISDA, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system) that would be or are applicable to any Notional Credit Derivative Transaction or Hedge Transaction from time to time. The Calculation Agent may not, without the consent of the relevant Issuer amend pursuant to this Credit Linked Condition 9.2 any of the terms and conditions of the Credit Linked Securities other than to the extent necessary to give effect to the relevant change(s). The Calculation Agent shall notify the relevant Issuer and the Securityholders as soon as reasonably practicable upon making any such amendment.

## 9.3 Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the relevant Issuer shall inform, or shall procure that the Calculation Agent informs the Securityholders in accordance with General Condition 14 (*Notices*). Where the Calculation Agent is expressed to give a Notice to the Securityholders, the Calculation Agent may agree with the Issuer that such Notice is given to the Securityholders by the Issuer in place of the Calculation Agent in accordance with General Condition 14 (*Notices*). Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA's website ([www.isda.org/credit](http://www.isda.org/credit)).

## 9.4 Effectiveness of Notices

Any notice referred to in Credit Linked Condition 9.3 (*Delivery of Notices*) above which is delivered at or prior to 5:00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

## 10 DEFINITIONS

In these Credit Linked Conditions:

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

**Additional Disruption Event** means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case unless disappplied in the applicable Final Terms.

**Additional LPN** means any LPN issued by an LPN Issuer, for the sole purpose of providing funds for the LPN Issuer to provide financing to the Reference Entity via an:

- (a) Underlying Loan; or
- (b) Underlying Finance Instrument:

provided that:

- (i) either:
  - (A) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or
  - (B) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics;
- (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currencies – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and
- (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of holders of the LPNs.

**Additional Obligation** means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available online on the Markit Group Limited website.

**Additional Provisions** means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified as applicable in relation to a Reference Entity, which may include any other provisions specified in relation to such Reference Entity.

**Affected Entity** has the meaning given to such term in Credit Linked Condition 6.3 (*Linear Basket CLSs*).

**Affiliate** means in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes control means ownership of a majority of the voting power of an entity.

**Asset** means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the relevant Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or asset no longer exists).

**Asset Market Value** means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

**Asset Package** means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

**Asset Package Credit Event** means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" is specified as "Applicable" in the applicable Final Terms, (i) a Governmental Intervention; or (ii) a Restructuring in respect of the Reference Obligation, if Restructuring is specified as

"Applicable" in the applicable Final Terms and such Restructuring does not constitute a Governmental Intervention; and

- (b) if the Reference Entity is a Sovereign and Restructuring is specified as "Applicable" in the applicable Final Terms, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice.

**Asset Package Delivery** will apply if an Asset Package Credit Event occurs unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

**Asset Transfer Notice** has the meaning given to such term in Credit Linked Condition 4.7 (*Physical Settlement Procedures*).

**Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

**Auction** has the meaning set forth in the relevant Transaction Auction Settlement Terms.

**Auction Cancellation Date** has the meaning set forth in the Transaction Auction Settlement Terms.

**Auction Covered Transaction** has the meaning set forth in the Transaction Auction Settlement Terms.

**Auction Final Price** has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Calculation Agent in the Auction Settlement Amount Notice or, for the purposes of determining a Hedge Disruption Event, in the Notice of Physical Settlement, as the case may be.

**Auction Final Price Determination Date** has the meaning set forth in the Transaction Auction Settlement Terms.

**Auction Settlement** means the settlement method in accordance with Credit Linked Condition 2.2(a).

**Auction Settlement Amount** means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Auction Settlement Amount} = \text{Max} [0; N \times (1-R)]$$

where:

"N" means the Floating Rate Payer Calculation Amount or the Exercise Amount, as the case may be; and

"R" means the relevant Auction Final Price.

**Auction Settlement Amount Notice** means a notice given by the Calculation Agent to the Issuer and the Securityholders in accordance with General Condition 14 (*Notices*) on or prior to the date which is 65 Business Days following the Final List Publication Date specifying:

- (a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Calculation Agent has determined will apply to the Credit Linked Securities (provided that the Calculation Agent may only determine to apply any Parallel Auction Settlement Terms (which it may choose in its sole discretion) in the circumstances set out in sub-paragraph (b) of the definition of "No Auction Announcement Date"); and
- (b) the Auction Settlement Amount.

**Auction Settlement Date** means either:

- (a) if "Settlement at Maturity" is specified as "Applicable" in the applicable Final Terms, or if neither "Applicable" or "Not Applicable" is specified, the later of (i) the Scheduled Redemption Date and (ii) five (5) Business Days after determination of the Auction Final Price; or
- (b) if "Settlement at Maturity" is specified as Not Applicable in the Final Terms, the date that is five (5) Business Days following the determination of the Auction Final Price.

**Bankruptcy** means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (h) causes or is subject to any event with respect to it, which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive) above.

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

**Bond** or **Loan** means any obligation that is either a Bond or a Loan.

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

**Capped Reference Entity** means a Reference Entity specified as such in the applicable Final Terms.

**Cash Settlement** means the settlement method in accordance with Credit Linked Condition 2.2(c).

**Cash Settlement Amount** means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Cash Settlement Amount} = \text{Max} [0; N \times (1-R)]$$

where:

"N" means the Floating Rate Payer Calculation Amount or the Exercise Amount, as the case may be; and

"R" means (i) the Weighted Average Final Price, or (ii) if so specified in the applicable Final Terms or in the case of Fixed Recovery CLSs, the Final Price.

**Cash Settlement Date** means either:

- (a) if "Settlement at Maturity" is specified as "Applicable" in the applicable Final Terms, or if neither "Applicable" or "Not Applicable" is specified, the later of (i) the Scheduled Redemption Date and (ii) five (5) Business Days after calculation of the Weighted Average Final Price; or
- (b) if "Settlement at Maturity" is specified as "Not Applicable" in the applicable Final Terms, the date that is the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not specified, five (5) Business Days) after calculation of the Weighted Average Final Price.

**Change in Law** means, unless Change in Law is specified as not applicable in the applicable Final Terms, that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the relevant Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligations in respect of the Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Securities; or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Securities.

**CIA Type 1** has the meaning set out in Credit Linked Condition 3.1(a)(i).

**CIA Type 2** has the meaning set out in Credit Linked Condition 3.1(a)(ii).

**CIA Type 3** has the meaning set out in Credit Linked Condition 3.1(a)(iii).

**CLS Business Day** means, in respect of any Reference Entity, a day on which commercial banking and foreign exchange markets are generally open to settle payments in the place or places specified in the applicable Final Terms for that purpose with respect to such Reference Entity, a TARGET2 Settlement Day (if "TARGET2 Settlement Day" is specified in the applicable Final Terms for that purpose, or, if a place or places are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settlement payments in the jurisdiction of the currency of the related Floating Rate Payer Calculation Amount).

**CLS Dealer** means (a) a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Securityholder or its Affiliate or (b) such other dealer specified as such in the applicable Final Terms.

**Conditionally Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

**Conditions to Settlement** means, in relation to any Reference Entity:

- (a) the occurrence of an Event Determination Date; and
- (b) where the applicable Settlement Method is Physical Settlement (or Physical Settlement is applicable as the Fallback Settlement Method), the delivery of the Notice of Physical Settlement on or prior to the NOPS Cut-off Date,

to the extent that, unless otherwise elected by the Calculation Agent by written notice to the Issuer and the Securityholders, such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, a Delivery Date or the Redemption Date, as applicable.

**Conforming Reference Obligation** means a Reference Obligation, which is a Valuation Obligation or Deliverable Obligation, as the case may be, determined in accordance with paragraph (b) of the definition of Deliverable Obligation.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

**Credit Derivatives Auction Settlement Terms** means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the DC Rules, with respect to such Reference Entity, a form of which will be published by ISDA on its website at



www.isda.org (or any successor website thereto) from time to time and as may be amended from time to time in accordance with the DC Rules.

**Credit Derivatives Definitions** means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit Linked Securities in the applicable Final Terms, as supplemented by the Additional Provisions.

**Credit Derivatives Determinations Committee** means each committee established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the DC Rules.

**Credit Event** means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention, as specified with respect to a Reference Entity in the applicable Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**Credit Event Backstop Date** means (a) the Trade Date or (b) the date falling 60 calendar days prior to the Trade Date, in each case as specified in the applicable Final Terms. If the Credit Event Backstop Date is not specified in the applicable Final Terms, such date shall be the date falling 60 calendar days prior to the Trade Date. In each case, the Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**Credit Event Notice** means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email and/or by telephone) to the relevant Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time). A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**Credit Event Resolution Request Date** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**Currency Amount** means with respect to:

- (a) a Deliverable Obligation specified in a Notice of Physical Settlement or a selected Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the Notional Credit Derivatives Transaction into the currency of denomination of the relevant Replacement Deliverable Obligation.

**Currency Rate** means with respect to:

- (a) a Deliverable Obligation specified in the Notice of Physical Settlement or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation or Valuation Obligation, as the case may be, is denominated that is either:
  - (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
  - (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner after consultation with the parties; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

**Currency Rate Source** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

**DC Announcement Coverage Cut-off Date** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**DC Credit Event Announcement** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof) on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Redemption Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**DC Credit Event Meeting Announcement** means, with respect to a Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**DC Credit Event Question** means, with respect to a Reference Entity, a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event for the purposes of the Notional Credit Derivatives Transaction (or any Hedge Transaction) has occurred.

**DC Credit Event Question Dismissal** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**DC No Credit Event Announcement** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**DC Resolution** has the meaning given to that term in the DC Rules.

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

**DC Secretary** has the meaning given to it in the DC Rules.

**Default Requirement** means the amount as may be specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the applicable Final Terms, U.S.\$ 10,000,000, or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event.

**Deliver** means to deliver, novate, transfer (including in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Specified Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Specified Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Specified Deliverable Obligations to the relevant Securityholder or Securityholders free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in paragraphs (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or, as applicable any Underlying Obligor) provided that if a Specified Deliverable Obligation is a Guarantee, Deliver means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, Deliver means to deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. **Delivery** and **Delivered** will be construed accordingly.

In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time. Notwithstanding the previous sentence, in the case of a Loan, the relevant Issuer and each Securityholder agrees to comply, for the purposes of the settlement of the Credit Linked Securities with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The relevant Issuer agrees, and each Securityholder is deemed to further agree, that compliance by the relevant Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the relevant Issuer nor any Securityholder shall be permitted to request that any party take nor shall the relevant Issuer or any Securityholder be required to take, any action or

make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) the above paragraph of this definition of Deliver shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Principal Balance or Due and Payable Amount, as applicable (or equivalent amount in the Settlement Currency of the Securities) of the Prior Deliverable Obligation or Package Observable Bond otherwise due shall be deemed to have been Delivered in full three Business Days following the date on which the Notice of Physical Settlement or NOPS Amendment Notice is delivered to Securityholders, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion, and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

**Deliverable Obligation** means any of:

- (a) the Reference Obligation(s) (if any);
- (b) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee), described by the Deliverable Obligation Category specified in the applicable Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms (as of the date on which the Calculation Agent determines that such obligations are Deliverable Obligations);
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as "Applicable" in respect of the Reference Entity in the applicable Final Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Deliverable Obligation; and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount which is greater than zero (determined for the purposes of paragraph (d) above of this definition, immediately prior to the Asset Package Credit Event).

For purposes of assessing the applicability of Deliverable Obligation Characteristics and the requirements specified in the definition of Mod R and Mod Mod R to a Prior Deliverable Obligation or a Package Observable Bond, any such assessment shall be made by reference to the terms of the relevant Obligation in effect immediately prior to the Asset Package Credit Event.

Where "Subordinated European Insurance Terms" is specified as "Applicable" in the applicable Final Terms, if a Deliverable Obligation would otherwise satisfy the Maximum Maturity Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in the relevant Deliverable Obligation shall not cause such Deliverable Obligation to fail to satisfy such Deliverable Obligation Characteristic.

**Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity in the applicable Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only.

**Deliverable Obligation Characteristics** means any of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer as specified in the applicable Final Terms.

If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the applicable Final Terms, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Deliverable Obligation Characteristic.

**Deliverable Obligation Provisions**, in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

**Deliverable Obligation Terms**, in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**Deliverable/Valuation Obligation Accrued Interest** means:

- (a) if the applicable Final Terms specify that the Settlement Method is "Physical Settlement", the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the applicable Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine); or
- (b) if the applicable Final Terms specify that the clause "Settlement Method" is "Cash Settlement", and:
  - (i) "Include Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the relevant Valuation Obligation shall include accrued but unpaid interest;
  - (ii) "Exclude Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the relevant Valuation Obligation shall not include accrued but unpaid interest; or
  - (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms, the Calculation Agent shall determine based on the then current market practice in the market of the relevant Valuation Obligation whether the

Outstanding Principal Balance of the relevant Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.

**Delivery Date** means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

**Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the relevant Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either:

- (a) the relevant Issuer or the Guarantor (as applicable) (in either case, to the extent that the relevant Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate); or
- (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

**Domestic Currency** means the currency specified as such in the applicable Final Terms in relation to a Reference Entity and any successor currency thereto (or if no currency is so specified, the lawful currency and any successor currency of:

- (a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or
- (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign).

**Domestic Law** means each of the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if such Reference Entity is not a Sovereign.

**Downstream Affiliate** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

**Due and Payable Amount** means the amount that is due and payable by the relevant Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (1) the NOPS Effective Date (or, if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (2) the Valuation Date, as applicable.

**Eligible Information** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Eligible Transferee** means:

- (a) any of:
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;

- (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
- (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),  
provided, however, in each case that such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in sub-paragraph (a) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that:
    - (A) has total assets of at least U.S.\$100 million; or
    - (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$ 100 million; or
  - (ii) that has total assets of at least U.S.\$500 million; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraph (a), (b), (c)(ii) or (d) hereof; and
- (d) (i) any Sovereign, or (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.\$ include equivalent amounts in other currencies, as determined by the Calculation Agent.

**Escrow** means, if Escrow is specified in relation to a Reference Entity as applicable, either the relevant Issuer or any Securityholder may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Securityholder, solely in relation to the Securities held by such Securityholder). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Securityholder.

**Escrow Agent** means an independent third party financial institution (a) specified by the relevant Issuer prior to the Physical Settlement Date or (b) specified in the applicable Final Terms, in each case subject to the terms of the escrow arrangement.

**Event Determination Date** means, in respect of any Credit Event:

- (a) if "Auction Settlement" is the applicable Settlement Method specified in the Final Terms:
  - (i) subject to sub-paragraph (ii) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (ii) notwithstanding sub-paragraph (i) above, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request

Date has occurred on or prior to the last day of the Notice Delivery Period (including, unless specified as being not applicable in the Final Terms, prior to the Trade Date) and either:

- (A) (I) the Credit Event is not an M(M)R Restructuring; and
- (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
- (B) (I) the Credit Event is an M(M)R Restructuring; and
- (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Exercise Cut-off Date,

provided that:

- (x) no Physical Settlement Date, if applicable, or Cash Settlement Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
  - (y) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Floating Rate Payer Calculation Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
  - (z) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Floating Rate Payer Calculation Amount, or (cc) unless the Notional Credit Derivative Transaction is an Auction Covered Transaction and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Notional Credit Derivative Transaction, or
- (b) where paragraph (a) above does not apply, the Non-Standard Event Determination Date.

**Excluded Deliverable Obligation** means, in respect of a Reference Entity and unless provided otherwise in the applicable Final Terms:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**Excluded Obligation** means, in respect of a Reference Entity and unless provided otherwise in the applicable Final Terms:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;
- (b) if "*Financial Reference Entity Terms*" is specified as applicable in the applicable Final Terms and the Notional Credit Derivatives Transaction constitutes a Senior Transaction in respect of



the Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and

- (c) if "*Financial Reference Entity Terms*" is specified as applicable in the applicable Final Terms and the Notional Credit Derivatives Transaction constitutes a Subordinated Transaction in respect of the Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**Exercise Amount** has the meaning set out in Credit Linked Condition 8.1 (*Multiple Credit Event Notices*).

**Exercise Cut-off Date** means either:

- (a) where the Credit Event is an M(M)R Restructuring and sub-paragraph (a) of the definition of Event Determination Date applies:
  - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (i) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event to which sub-paragraph (a) of the definition of Event Determination Date does not apply, the Non-Standard Exercise Cut-off Date;

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves

**Extended Physical Settlement Date** means:

- (a) in the case of a Capped Reference Entity, the 60th CLS Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds and Original Loans, may not be received by the relevant Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the relevant Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three (3) CLS Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten (10) CLS Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three (3) CLS Business Days or ten (10) CLS Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine, in its absolute discretion; and
- (b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may determine in its absolute discretion, provided that such date falls no later than the 120th CLS Business Day following the Physical Settlement Date or, in the absence of such determination, such 120th CLS Business Day following the Physical Settlement Date.

**Extension Date** means the latest of:

- (a) (i) the Scheduled Redemption Date (or any other date specified as such in the applicable Final Terms) or, (ii) if so specified in the applicable Final Terms, such other date falling such number of calendar or Business Days specified in the applicable Final Terms immediately

preceding the Scheduled Redemption Date or, (iii) if applicable, the date specified as such in the applicable Final Terms;

- (b) the Grace Period Extension Date if:
  - (i) Failure to Pay is an applicable Credit Event in relation to any Reference Entity;
  - (ii) Grace Period Extension is specified as applicable in relation to such Reference Entity; and
  - (iii) the Calculation Agent delivers an Extension Notice under sub-paragraph (b) of the definition thereof; and
- (c) the Repudiation/Moratorium Evaluation Date if:
  - (i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and
  - (ii) the Calculation Agent delivers an Extension Notice under sub-paragraph (c) of the definition thereof.

**Extension Notice** means a notice from the Calculation Agent to the Issuer and the Securityholders giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraph (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Redemption Date; or
- (b) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time); or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time); or
- (d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, nominal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**Fair Market Value Trigger** has the meaning given to that term in Credit Linked Condition 2.7.

**Fallback Settlement Event** means:

- (a) an Auction Cancellation Date occurs;
- (b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) and (c)(ii) of the definition thereof,

the Calculation Agent has not exercised the Movement Option by delivery of a Notice to Exercise Movement Option to the Issuer and the Securityholders in accordance with General Condition 14 (*Notices*));

- (c) a DC Credit Event Question Dismissal occurs;
- (d) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Resolution Request Date has occurred within three (3) Business Days of such Event Determination Date; or
- (e) an Event Determination Date was determined pursuant to sub-paragraph (b)(ii)(B)(II)(y) of the definition of "Non-Standard Event Determination Date".

**Fallback Settlement Method** means Cash Settlement or Physical Settlement, as specified in the applicable Final Terms. If the applicable Final Terms do not specify the Fallback Settlement Method, the Fallback Settlement Method shall be Cash Settlement.

**Final List** has the meaning given to that term in the DC Rules.

**Final List Publication Date** means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

**Final Price** means (a) the price of the Reference Obligation and/or any Valuation Obligation and/or Undeliverable Obligation, expressed as a percentage determined in accordance with the highest Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date, or (b) in the case of Fixed Recovery CLSs, an amount equal to the Fixed Recovery Percentage specified in the applicable Final Terms.

**First Ranking Interest** means an Interest which is expressed as being "first ranking", "first priority", or similar (First Ranking) in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

**Fixed Cap** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**Fixed Recovery CLS** means Credit Linked Securities specified as such in the applicable Final Terms and in respect of which the Final Price is the Fixed Recovery Percentage.

**Fixed Recovery Percentage** means, in respect of a Fixed Recovery CLS, a percentage, in each case as specified as such in the applicable Final Terms.

**Floating Rate Payer Calculation Amount** means the amount as set out in the applicable Final Terms (or, if no such amount is specified, the aggregate outstanding nominal amount of the Securities divided by the number of Reference Entities), subject to Credit Linked Condition 6 (*Succession Event*).

**Full Quotation** means, in accordance with the bid quotations provided by the CLS Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLS Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance equal to the Quotation Amount.

**Fully Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any

person being required in the case of any Deliverable Obligation other than Bonds, in each case as of both the NOPS Effective Date and the Delivery Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

**Fully Principal Protected CLSs** means Credit Linked Securities to which "Fully Principal Protected CLS" is specified in the applicable Final Terms.

**Further Subordinated Obligation** means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation, which is Subordinated thereto.

**Governmental Authority** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of a Reference Entity or some or all of its obligations; or
- (d) any other authority, which is analogous to any of the entities, specified in paragraphs (a) to (c) above.

**Governmental Intervention** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made, by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to a Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event, which has an analogous effect to any of the events specified in paragraphs (a) to (c) of this definition.

For purposes of this definition, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**Grace Period** means:

- (a) subject to sub-paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified to be applicable in the applicable Final Terms in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three (3) Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three (3) Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified in relation to the relevant Reference Entity in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Redemption Date.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET2 Business Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency

**Grace Period Extension Date** means, if:

- (a) Grace Period Extension is specified as applicable in relation to a Reference Entity in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is not specified as being applicable in the Final Terms, Grace Period Extension shall not apply.

**Guarantee** means a Relevant Guarantee or a guarantee, which is the Reference Obligation.

**Hedge Amount** means:

- (a) if "One-Way Hedge Amount" is specified in the applicable Final Terms, an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax, and duties incurred by the relevant Issuer (and/or its Affiliates on its behalf) in connection with the redemption of the Credit Linked Securities and/or the termination, settlement or re-establishment of any Hedge Transaction on or around the Event Determination Date, provided that in the case of Leveraged CLSs the notional amount of each Hedge Transaction terminated, settled or re-established will reflect the leveraged Floating Rate Payer Calculation Amount of the Reference Entity affected by the Credit Event;

- (b) if "Two-Way Hedge Amount" is specified in the applicable Final Terms, an amount (which may be expressed as a positive number or a negative number) determined by the Calculation Agent equal to the sum of (without duplication) all costs and gains incurred by the relevant Issuer and/or its Affiliates on its behalf in connection with the redemption of the Credit Linked Securities and/or the termination, settlement or re-establishment of any Hedge Transaction on or around the Event Determination Date, provided that in the case of Leveraged CLSs the notional amount of each Hedge Transaction terminated, settled or re-established will reflect the leveraged Floating Rate Payer Calculation Amount of the Reference Entity affected by the Credit Event. A cost will be expressed as a positive number and a gain as a negative number; or
- (c) if Hedge Amount is specified as "Not Applicable" in the applicable Final Terms, zero.

**Hedging Disruption** means, unless Hedging Disruption is specified as not applicable in the applicable Final Terms, that the relevant Issuer, the Guarantor, if applicable, and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge any relevant price risk of the relevant Issuer issuing and performing its obligations with respect to the Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Securities.

**Hedge Disruption Event** means the relevant Issuer and/or any of its Affiliates has not received the relevant:

- (a) Deliverable Obligations (including in circumstances where the relevant Issuer and/or any of its Affiliates acting on its behalf is not able to acquire Deliverable Obligations) (i) in the relevant auction settlement process for any reason (including in circumstances where the relevant Issuer or any such Affiliate gives settlement orders to a participating dealer and such orders are not accepted or remain unfulfilled, in whole or in part) or (ii) at an amount equal to the Auction Final Price (determined by the Calculation Agent, as if Auction Settlement had been specified as applicable in the applicable Final Terms on the basis of the Transaction Auction Settlement Terms notified by the Calculation Agent to the Issuer and the Securityholders under the Notice of Physical Settlement); and/or
- (b) cash,

under the terms of a Hedge Transaction.

**Hedge Transaction** means any transaction or trading position entered into or held by the relevant Issuer and/or any of its Affiliates to hedge, directly or indirectly, the relevant Issuer's obligations or positions (whether in whole or in part) in respect of the Credit Linked Securities (including, without limitation, any rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, interest rate option, currency transaction or credit swap). Solely with respect to and for purpose of any Hedge Transactions that are credit derivative transactions, the relevant Issuer will be "Seller".

**Increased Cost of Hedging** means, unless Increased Cost of Hedging is specified as not applicable in the applicable Final Terms, that the relevant Issuer, the Guarantor (if applicable) and/or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the relevant Issuer or the Guarantor, (if applicable), in issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred

solely due to the deterioration of the creditworthiness of the relevant Issuer, the Guarantor, (if applicable) and/or any of their respective Affiliates shall not be deemed an Increased Cost of Hedging.

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

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

**Largest Asset Package** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent at such time and on such date as the Calculation Agent (in its sole and absolute discretion may select) by reference to Eligible Information. If not so determined, the Largest Asset Package will be the package of Assets with the highest immediately realisable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

**Latest Maturity Restructured Bond or Loan** means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final redemption date.

**Latest Permissible Physical Settlement Date** means, in respect of partial cash settlement due to a Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date and, where Partial Cash Settlement is specified as being applicable in the applicable Final Terms) in respect of a Deliverable Obligation comprised of Loans, the date that is 15 CLS Business Days after the Physical Settlement Date (or, in either case, any earlier date designated by the Calculation Agent following any determination by the Calculation Agent that the relevant Issuer, or the Delivery Agent on its behalf, is or will be unable to or it will be impractical for the relevant Issuer or the Delivery Agent on its behalf to Deliver all or any portion of the Deliverable Obligations specified in a Notice of Physical Settlement).

**Legacy Reference Entity** has the meaning given to such term in Credit Linked Condition 6.2(b).

**Leveraged CLS** means Credit Linked Securities specified as such in the applicable Final Terms.

**Limitation Date** means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years, 7.5 years, 10 years (the **10-year Limitation Date**), 12.5 years, 15 years or 20 years, as applicable. Limitation Dates shall not be subject to adjustment unless the applicable Final Terms specify an adjustment to Limitation Date(s) in accordance with a Business Day Convention (the **Limitation Date Adjustment**) specified for such purpose in the applicable Final Terms.

**Linear Basket CLS** means Credit Linked Securities (other than Nth-to-Default CLSs) where the relevant Issuer purchases credit protection from the Securityholders in respect of a basket of Reference Entities, as specified in the applicable Final Terms.

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

**Loan** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**London Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

**LPN** means any bond issued in the form of a loan participation note.

**LPN Issuer** means, in respect of any LPN, the entity, which issued the relevant LPN.

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation, which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. Any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation.

**M(M)R Restructuring** means a "Restructuring" Credit Event in respect of which either "*Mod R*" or "*Mod Mod R*" is specified as applicable in the applicable Final Terms.

**Maximum Maturity** means an obligation that has a remaining maturity of not greater than:

- (a) the period specified in relation to a Reference Entity; or
- (b) if no such period is so specified, 30 years.

For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination, and in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

**Merger Event** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Redemption Date (i) the relevant Issuer or the Guarantor (if applicable) or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity, the relevant Issuer or the Guarantor as applicable, or (ii) (if applicable) the Guarantor and a Reference Entity or the relevant Issuer and a Reference Entity become Affiliates.

**Merger Event Redemption Date** means the date specified by the relevant Issuer in the notice to Securityholders.

**Minimum Quotation Amount** means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of: U.S.\$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and the Quotation Amount.

**Modified Eligible Transferee** means any bank, financial institution or other entity, which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Redemption Date. Subject to the foregoing, if the Scheduled Redemption Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Redemption Date.

**Movement Option** means, with respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition thereof, the option of the Calculation Agent to apply for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that the Issuer could specify in any Notice of Physical Settlement or, as the case may be, which could be selected as Valuation Obligations by the Calculation Agent (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction



Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option to the Issuer on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

**Movement Option Cut-off Date** means the date that is one Relevant City Business Day following the Exercise Cut-off Date applicable to the Issuer, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**Multiple Holder Obligation** means an Obligation that:

- (a) at the time of the event which constitutes a "Restructuring" Credit Event is held by more than three (3) holders that are not Affiliates of each other; and
- (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a "Restructuring" Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (b) above.

**Next Currency Fixing Time** means 4.00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

**No Auction Announcement Date** means, with respect to any Reference Entity, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;
- (b) following the occurrence of a Credit Event which is an M(M)R Restructuring, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held or (ii) one or more Parallel Auctions will be held.

**No Standard Reference Obligation** means if the Standard Reference Obligation is removed from the SRO List and not immediately replaced, such obligation shall cease to be a Reference Obligation (other than for the purpose of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the relevant Reference Entity shall constitute the Reference Obligation for it.

**Non-Capped Reference Entity** means a Reference Entity, which is not a Capped Reference Entity.

**Non-Conforming Reference Obligation** means a Reference Obligation which is not a Conforming Reference Obligation.

**Non-Conforming Substitute Reference Obligation** means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (b) of the definition of Deliverable Obligation on the Substitution Date but for one or more of the same reasons which resulted in the Reference

Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**Non-Financial Instrument** means any Asset, which is not of the type typically traded in, or suitable for being traded in, financial markets.

**Non-Standard Event Determination Date** means:

- (a) subject to paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A) (I) "Auction Settlement" is not specified as being applicable in the Final Terms;
    - (II) the relevant Credit Event is not an M(M)R Restructuring; and
    - (III) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
    - (B) (I) either:
      - (x) "Auction Settlement" is specified as being applicable in the Final Terms; or
      - (y) the relevant Credit Event is an M(M)R Restructuring; and
      - (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Non-Standard Exercise Cut-off Date, or
  - (ii) the first date on which a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during either the Notice Delivery Period or (if later) the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
    - (A) (I) "Auction Settlement" is not specified as being applicable in the Final Terms;
    - (II) the relevant Credit Event is not an M(M)R Restructuring; and
    - (III) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B) (I) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; and

(II) either:

- (x) "Auction Settlement" is not specified as being applicable in the Final Terms; or
- (y) "Auction Settlement" is specified as being applicable in the Final Terms and a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the relevant Non-Standard Exercise Cut-off Date;

provided that:

- (aa) no Physical Settlement Date, if applicable, or Cash Settlement Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
- (bb) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Non-Standard Event Determination Date shall be deemed to have occurred only with respect to the portion of the Floating Rate Payer Calculation Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (cc) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered to the Issuer by the Calculation Agent, (xx) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (yy) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the Floating Rate Payer Calculation Amount or (zz) unless the Notional Credit Derivative Transaction is an Auction Covered Transaction and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Credit Derivative Transaction.

In case more than one of the options described above may apply for the purpose of determining the Non-Standard Event Determination Date, the Calculation Agent will in its sole and absolute discretion, select the relevant option to be applied in accordance with the equivalent provisions of any related underlying hedging arrangements entered into in respect of the Credit Linked Securities, whether such hedging arrangement is held directly by the relevant Issuer or the Guarantor or indirectly through an Affiliate.

**Non-Standard Exercise Cut-off Date** means:

- (a) if the relevant Credit Event is not an M(M)R Restructuring, either:
  - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
  - (iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if the relevant Credit Event is an M(M)R Restructuring and:
  - (i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five

Relevant City Business Days, following the date on which such Final List is published; or

- (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

**Non-Standard Reference Obligation** means the Original Non-Standard Reference Obligation (if any) or, if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**Non-Transferable Instrument** means any Asset, which is not capable of being transferred to institutional investors, excluding due to market conditions.

**NOPS Amendment Notice** means a notice from by the Calculation Agent to the Issuer (after consultation with the Issuer) notifying it, that the Calculation Agent has determined that the relevant Issuer must replace, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation and shall also specify the Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, (i) the Calculation Agent may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in any NOPS Amendment Notice by notice to the Issuer (given in the manner specified in the definition of "Physical Settlement Notice") prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice and (ii) if Asset Package Delivery is applicable and such Asset Package is not described in the NOPS Amendment Notice, the Calculation Agent shall on the NOPS Effective Date or as soon as reasonably practicable thereafter, give the Issuer and the Securityholders notice of a detailed description of the Asset Package, if any, that the Issuer is required to Deliver to the Securityholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the NOPS Amendment Notice, it being understood that such notice shall not constitute a NOPS Amendment Notice.

**NOPS Cut-off Date** means:

- (a) subject to paragraph (b) below, the later of:
  - (i) the thirtieth calendar day after the Event Determination Date; and
  - (ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or
- (b) if "Physical Settlement" is applicable pursuant to the Fallback Settlement Method and:
  - (i) the relevant Credit Event is not an M(M)R Restructuring, the later of (A) the date determined pursuant to sub-paragraph (a)(i) and (B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date occurring pursuant to sub-paragraphs (a) or (c)(i) of the definition thereof, as applicable; or
  - (ii) the relevant Credit Event is an M(M)R Restructuring, either:
    - (A) the later of:

- (I) the date determined pursuant to sub-paragraph (a)(i) above; and
- (II) the thirtieth calendar day after:
  - (x) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition thereof, if any;
  - (y) a No Auction Announcement Date occurring pursuant to sub-paragraph (c)(i) of the definition thereof, if any; or
  - (z) the Auction Cancellation Date, if any, as applicable; or
- (B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:
  - (I) a No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof and Notice of Movement Option has not been delivered as a result thereof; or
  - (II) a No Auction Announcement Date occurs pursuant to sub-paragraph (c)(ii) of the definition thereof and Notice of Movement Option has not been delivered as a result thereof,

provided that in the case of sub-paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in sub-paragraph (a)(i) above.

**NOPS Effective Date** means the date on which an effective Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, is delivered by the Calculation Agent or, as the case may be, the Valuation Obligation is chosen by the Calculation Agent to form part of the Valuation Obligations Portfolio.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

**Not Domestic Currency** means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency.

**Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity.

If the Obligation Characteristic "Not Domestic Issuance" is specified as applicable in the applicable Final Terms, such Final Terms shall be construed as though "Not Domestic Issuance" had been specified as an Obligation Characteristic only with respect to Bonds.

If the Deliverable Obligation Characteristic "Not Domestic Issuance" is specified as applicable in the applicable Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds.

**Not Domestic Law** means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

**Not Sovereign Lender** means any obligation that is not primarily owed to (a) a Sovereign or (b) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "*Paris Club debt*".

**Not Subordinated** means, in respect of a Reference Entity, an obligation of the Reference Entity that is not Subordinated to (a) the Reference Obligation or (b) the Prior Reference Obligation, if applicable.

**Notice Cut-Off Date** has the meaning set out in Credit Linked Condition 4.7(b) (*Procedure by the relevant Issuer and others*).

**Notice Delivery Date** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, an effective Notice of Publicly Available Information, have been delivered to the Issuer by the Calculation Agent.

**Notice Delivery Period** means the period from and including the Trade Date to and including the date fifteen CLS Business Days (or such other number of days as may be specified in the applicable Final Terms) after the Extension Date (or, if the relevant Credit Event is a M(M)R Restructuring, the later of:

- (a) such date; and
- (b) the date that is 65 Business Days following the Final List Publication Date).

**Notice of Physical Settlement** means a notice delivered from the Calculation Agent to the Issuer and the Securityholders on or prior to the later of:

- (a) 65 CLS Business Days following the Final List Publication Date;
- (b) subject to sub-paragraph (c) below, 25 CLS Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Auction Final Price Determination Date (in each case if any and if applicable); and
- (c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Calculation Agent has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Issuer by the Restructuring Exercise Date, five (5) CLS Business Days following such Restructuring Exercise Date,

that:

- (i) confirms that the relevant Issuer will redeem the Credit Linked Securities by physical delivery in accordance with Credit Linked Condition 4 (*Physical Settlement*);

- (ii) contains a detailed description of the Deliverable Obligations that the relevant Issuer will Deliver (or procure Delivery of) to the Securityholders, including, if available and applicable, the ISIN number (or, if such identifying number is not available or applicable, the rate and tenor) of each such Deliverable Obligation and the Outstanding Amount (which shall be selected by the Calculation Agent in consultation with the Issuer);
- (iii) specifies the Outstanding Principal Balance or Due and Payable Amount (the "Outstanding Amount") and, if different, the face amount, of each such Deliverable Obligation and the aggregate Outstanding Amount of all Deliverable Obligations;
- (iv) sets out the Transaction Auction Settlement Terms applicable for the purposes of determining the Auction Final Price for the purposes of determining the occurrence of a Hedge Disruption Event (if applicable); and
- (v) sets out the Final Price and the Auction Final Price with respect to each Deliverable Obligation for the purposes of determining the Partial Cash Settlement Amount (if any).

In relation to Credit Linked Securities (other than Leveraged CLSs), the Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date equal to the Floating Rate Payer Calculation Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

In relation to Leveraged CLSs, the Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) such that their value on the Settlement Valuation Date as determined by the Calculation Agent in its sole discretion is equal to:

$$PA - [N \times (1 - MV)]$$

subject to any Physical Settlement Adjustment;

where:

"**MV**" is an amount equal to the market value of the Deliverable Obligation on or around the Settlement Valuation Date as determined by the Calculation Agent in its sole discretion;

"**N**" means the Floating Rate Payer Calculation Amount or the Exercise Amount, as the case may be; and

"**PA**" is an amount equal to the aggregate outstanding nominal amount of the Leveraged CLSs (if they are represented by a Global Security) or the Calculation Amount multiplied by the Calculation Amount Factor (if the Leveraged CLSs are in definitive form).

The Calculation Agent may, from time to time, deliver to the Issuer in the manner specified above a NOPS Amendment Notice. Notwithstanding the foregoing, (i) the Calculation Agent may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement by notice to the Issuer (given in the manner specified above) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice and (ii) if Asset Package Delivery is applicable and such Asset Package is not described in the Notice of Physical Settlement, the Calculation Agent shall on the NOPS Effective Date or as soon as reasonably practicable thereafter, give the Issuer and the Securityholders notice of a detailed description of the Asset Package, if any, that the Issuer is

required to Deliver to the Securityholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement it being understood in each case that such notice shall not constitute a NOPS Amendment Notice.

**Notice of Publicly Available Information** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the relevant Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice. The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information. Where an Event Determination Date has occurred pursuant to sub-paragraph (a)(ii) of the definition thereof or where a Non-Standard Event Determination Date has occurred pursuant to paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall be deemed to be a Notice of Publicly Available Information.

**Notice to Exercise Movement Option** means where M(M)R Restructuring is applicable and the Fallback Settlement Method would otherwise be applicable, an irrevocable notice from the Calculation Agent to the Issuer that (i) specifies the Parallel Auction Settlement Terms which will be applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**Notional Credit Derivative Transaction** means, with respect to any Credit Linked Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the relevant Issuer, as Buyer (as defined in the 2014 Credit Derivatives Definitions as published by ISDA), incorporating the terms of the 2014 Credit Derivatives Definitions as published by ISDA and under the terms of which:

- (a) the "Trade Date" is the Trade Date, if specified in the applicable Final Terms and if no such Trade Date is specified in the applicable Final Terms, the Issue Date;
- (b) the "Scheduled Termination Date" is the Scheduled Redemption Date;
- (c) the "Reference Entit(y)(ies)" thereunder is (are) such Reference Entit(y)(ies); and
- (d) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Security as it relates to such Reference Entity.

**Nth** means, where the applicable Final Terms specify that "Nth-to-Default CLS" is applicable, such number as may be specified in such Final Terms.

**Nth-to-Default CLS** means any Credit Linked Security in respect to which the relevant Issuer purchases credit protection from Securityholders in respect of two or more Reference Entities and pursuant to which, upon the occurrence of a Credit Event and the satisfaction of the Conditions to Settlement with respect to the Nth Reference Entity, the Securities will be redeemed in accordance with Credit Linked Conditions 2.2 (*Redemption following satisfaction of Conditions to Settlement*) and 2.3 (*Nth-to-Default CLSs*).

**Obligation** means:

- (a) each obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics specified in the applicable Final Terms, in each case, immediately prior to the Credit Event which is the subject either of the Credit Event Notice or the DC Credit Event Question resulting from the occurrence of the Credit Event Resolution Request Date, as applicable; and



(b) each Reference Obligation specified in the applicable Final Terms, in each case, unless it is an Excluded Obligation.

**Obligation Acceleration** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**Obligation Category** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

**Obligation Characteristic** means any of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the applicable Final Terms in relation to a Reference Entity.

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic.

**Obligation Currency** means the currency or currencies in which an Obligation is denominated.

**Obligation Default** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**Officer's Certification** means a certificate signed by a director (or other substantively equivalent title) of the Calculation Agent which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

**Original Bonds** means any Bonds comprising part of the relevant Deliverable Obligations.

**Original Loans** means any Loans comprising part of the relevant Deliverable Obligations.

**Original Non-Standard Reference Obligation** means the obligation of the Reference Entity (either directly or as provider of a guarantee and which may be, for the avoidance of doubt, the Standard Reference Obligation) which is specified as the Reference Obligation in the applicable Final Terms (if any is so specified) provided that if an obligation is not an obligation of the relevant Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Securities (**Non-Reference Entity Original Non-Standard Reference Obligation**) other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristics unless (a) Non-Reference Entity Original Non-Standard Reference Obligation is specified as applicable in the applicable Final Terms; or (b) the Securities are Reference Obligation Only CLS.

**Outstanding Amount** means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

**Outstanding Principal Balance** means the outstanding principal balance of an obligation calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Deliverable/Valuation Obligation Accrued Interest, the Reference Entity's accrued but unpaid interest payment obligations which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any;
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation (A) is subject to any Prohibited Action or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **Non-Contingent Amount**); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (A) unless otherwise specified in the Final Terms, in accordance with the terms of the obligation in effect on either (i) the NOPS Effective Date (or if the terms are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (ii) the Relevant Valuation Date, as applicable; and
- (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

Where:

**Quantum of the Claim** means (a) the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination or (b) the amount determined in accordance with the method set out in the applicable Final Terms, in each case provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**Package Observable Bond** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Deliverable Obligation, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**Parallel Auction** means Auction as defined in any relevant Parallel Auction Settlement Terms.

**Parallel Auction Cancellation Date** means **Auction Cancellation Date** as defined in any relevant Parallel Auction Settlement Terms.

**Parallel Auction Final Price Determination Date** means the **Auction Final Price Determination Date** as defined in any relevant Parallel Auction Settlement Terms.

**Parallel Auction Settlement Terms** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms (as defined in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as defined in the

relevant Transaction Auction Settlement Terms) which would be applicable to the relevant Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction.

**Parallel Notice of Physical Settlement Date** means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

**Partial Cash Settlement Amount** means, where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

- (a) the relevant Auction Final Price or, if no Auction Final Price is available, the Final Price of such Undeliverable Obligations multiplied by;
- (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation specified in the relevant Notice of Physical Settlement.

**Partial Cash Settlement Date** means, in relation to a Reference Entity, the date falling three (3) CLS Business Days after the calculation of the Final Price or such other date falling such number of CLS Business Days after the calculation of the Final Price as is specified in the applicable Final Terms.

**Partially Principal Protected CLSs** means Credit Linked Securities to which "Partially Principal Protected CLS" is specified in the applicable Final Terms.

**Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**Payment Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the applicable Final Terms, U.S.\$ 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permissible Deliverable Obligations** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

**Permitted Contingency** means, with respect to an obligation, any reduction to a Reference Entity's payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms; or
  - (v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Final Terms; or

- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**Permitted Currency** means:

- (a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership); or
- (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of "AAA" or higher assigned to it by S&P, "Aaa" or higher assigned to it by Moody's or "AAA" or higher assigned to it by Fitch Ratings.

**Permitted Transfer** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**Physical Settlement** means the settlement method in accordance with Credit Linked Condition 2.2(b).

**Physical Settlement Adjustment** means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement, by an amount of Deliverable Obligations having a liquidation value equal to the Hedge Amount (if the Hedge Amount is a positive number, representing an amount payable by the relevant Issuer or its Affiliates in connection with the termination, settlement or re-hedge of any Hedge Transaction) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent. Where the applicable Final Terms specify that Hedge Amount is not applicable, the Physical Settlement Adjustment shall be zero.

**Physical Settlement Adjustment Rounding Amount** means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the relevant Issuer by way of compensation for any Hedge Amount.

**Physical Settlement Date** means the last day of the longest Physical Settlement Period following the NOPS Cut-off Date or, if all Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable are Delivered on or before the Physical Settlement Date, the date that the Issuer completes Delivery of such Deliverable Obligations to all Securityholders.

**Physical Settlement Period** means, subject to Credit Linked Condition 2.9 (*Suspension of Obligations*), the number of CLS Business Days specified in the applicable Final Terms as such in relation to a Reference Entity or, if a number of CLS Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of CLS Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent after consultation with the Issuer, provided that if the Issuer has notified the Calculation Agent that it intends to Deliver an Asset Package in lieu of a Prior Deliverable Obligation or Package Observable Bond, the Physical Settlement Period shall be thirty CLS Business Days.

**Post Dismissal Additional Period** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**Potential Cash Settlement Event** means an event beyond the control of the relevant Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent

with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding markets conditions or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Securityholder to give the relevant Issuer details of accounts for settlement; or a failure of the Securityholder to open or procure the opening of such accounts or if the Securityholders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**Potential Repudiation/Moratorium** means the occurrence of an event described in sub-paragraph (a) of the definition of "Repudiation/Moratorium".

**Prior Deliverable Obligation** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice) any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Deliverable Obligation set out in paragraph (a) or (b) of the definition of Deliverable Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice), such Reference Obligation, if any.

**Prior Reference Obligation** means, in respect of a Reference Entity and in circumstances where there is no Reference Obligation applicable thereto for the purposes of the Securities, (a) the Reference Obligation most recently applicable thereto, if any, and otherwise (b) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (c) any unsubordinated Borrowed Money obligation of such Reference Entity.

**Private-side Loan** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Prohibited Action** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-sections (a) to (d) of the definition of Credit Event) or right of set-off by or of the relevant Reference Entity or any applicable Underlying Obligor.

**Public Source** means each source of Publicly Available Information specified as such in the related Final Terms (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Publicly Available Information** means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
  - (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; or
  - (ii) is information received from or published by (A) a Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation; or
  - (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

Provided that where any information of the type described in paragraph (ii) or (iii) of this definition is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of any type described in sub-paragraphs (a)(ii) and (a)(iii) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

- (b) Without limitation, Publicly Available Information need not state:
  - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
  - (ii) that the relevant occurrence:
    - (A) has met the Payment Requirement or Default Requirement;
    - (B) is the result of exceeding any applicable Grace Period; or
    - (C) has met the subjective criteria specified in certain Credit Events.
- (c) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both paragraphs (a) and (b) of the definition thereof.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Qualifying Guarantee** means an arrangement evidenced by a written instrument (which may include a statute or regulation) pursuant to which a Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law). A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy, letter of credit (or legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Final Terms; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as "Applicable" in the applicable Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of a Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy in respect of such Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

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

If an Obligation or Deliverable Obligation is a Relevant Guarantee, the following will apply:

- (A) For purposes of the application of the Obligation Category or Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (B) For purposes of the application of the Obligation Characteristics or Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (C) For purposes of the application of the Obligation Characteristics or Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each

of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

- (D) For the purposes of the application of the Obligation Characteristics or Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Qualifying Participation Seller** means any participation seller that meets the requirements specified in the applicable Final Terms in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**Quotation** means, in respect of Reference Obligations, Valuation Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five (5) or more CLS Dealers. If the Calculation Agent is unable to obtain two (2) or more such Full Quotations on the same CLS Business Day within three (3) CLS Business Days of a Relevant Valuation Date, then on the next following CLS Business Day (and, if necessary, on each CLS Business Day thereafter until the tenth CLS Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five (5) or more CLS Dealers and, if two (2) or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is unable to obtain two (2) or more Full Quotations or a Weighted Average Quotation on the same CLS Business Day on or prior to the fifteenth CLS Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLS Dealer at the Valuation Time on such fifteenth CLS Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from CLS Dealers at the Valuation Time on such tenth CLS Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Quotation Amount** means:

- (a) with respect to a Reference Obligation or Valuation Obligation, the amount specified in the applicable Final Terms in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Floating Rate Payer Calculation Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);
- (b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and
- (c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as sub-paragraph (a) above) of such Undeliverable Obligation.



**Redemption Date** means either:

- (a) the Scheduled Redemption Date; or
- (b) if the latest date referred to in paragraph (i) or (ii) below would fall after the Scheduled Redemption Date, such later date, being either:
  - (i) the date falling two (2) Business Days after the expiry of the Notice Delivery Period (or, if later, after the latest date on which it would be possible for the Calculation Agent to deliver a Credit Event Notice under paragraph (a)(iii)(B) of the definition of "Event Determination Date"); or
  - (ii) if a Credit Event Resolution Request Date has occurred on or prior to the expiry of the Notice Delivery Period in relation to a Reference Entity, the date falling 15 Business Days following any date on which the Credit Derivatives Determinations Committee Resolves that the relevant event does not constitute a Credit Event, or Resolves not to make such determination.

**Reference Entity** or **Reference Entities** mean the reference entity or reference entities specified in the applicable Final Terms and any Successor to a Reference Entity either:

- (a) as identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or
- (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has resolved that a Succession Event has occurred, in respect of a Succession Event Resolution Request Date. A Successor in accordance with the DC Rules shall in each case be a Reference Entity for the Securities, as the terms of which may be modified pursuant to Credit Linked Condition 6 (*Succession Event*).

**Reference Entity Spread** means:

- (a) the lowest offer quotation received by the Calculation Agent from four dealers for a credit default swap on such Reference Entity with a notional amount equal to the Floating Rate Payer Calculation Amount specified for such Reference Entity with a termination date closest to the Scheduled Redemption Date of the Securities (or the nearest standard maturity after the date if it is not possible to obtain at least one offer quotation); or
- (b) if it is not possible to obtain any offer quotation, a rate determined by the Calculation Agent in its sole and absolute discretion but acting in good faith and in a commercially reasonable manner.

**Reference Entity Spread Trigger** has the meaning given to that term in Credit Linked Condition 2.7.

**Reference Entity Trigger** has the meaning given to that term in Credit Linked Condition 2.7.

**Reference Obligation** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in the related Final Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any, provided that, where "Senior Non-Preferred Reference Obligations" is specified as applicable in the related Final Terms for the Reference Entity, then irrespective of any Original Non-Standard Reference Obligation specified in the related Final Terms, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has

previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable to the Securities and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation; or

- (b) any Substitute Reference Obligation if (i) "Standard Reference Obligation" is specified as applicable in the related Final Terms (or no election is specified in the related Final Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the related Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation; and
- (c) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each, a "Markit Published LPN Reference Obligation"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com> (or any successor website thereto) or any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation; for the avoidance of doubt, in respect of an LPN Reference Entity, notwithstanding anything to the contrary in these Credit Linked Security Conditions (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity):
  - (i) each Reference Obligation will be an Obligation and a Deliverable Obligation or a Valuation Obligation (as applicable);
  - (ii) each Reference Obligation determined in accordance with the foregoing will be a Reference Obligation;
  - (iii) Standard Reference Obligation shall not be applicable;
  - (iv) the proviso in the definition of Non-Standard Reference Obligation shall not apply;
  - (v) it is intended that there may be more than one Reference Obligation, as a result of which all applicable references in these Credit Linked Security Conditions to "the Reference Obligation" shall be construed as a reference to "a Reference Obligation", and all other provisions of these Credit Linked Security Conditions shall be construed accordingly; and
  - (vi) the provisions relating to the Substitute Reference Obligation shall not be applicable to LPN Reference Obligations.

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable where Reference Obligations Only applies.

**Reference Obligations Only CLS** means Credit Linked Securities in relation to which "Reference Obligations Only" is specified as the Obligation Category and Deliverable Obligation Category, if applicable, and Standard Reference Obligation is not specified as applicable in the applicable Final Terms.

**Relevant City Business Day** has the meaning given to it in the DC Rules.

**Relevant Guarantee** means a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, a Qualifying Guarantee.

**Relevant Holder** means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement, or NOPS Amendment Notice, as applicable or by the Calculation Agent when determining the Valuation Obligations, as applicable.

**Relevant Obligations** means, in respect of a Reference Entity, the Obligations of such Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Final Terms and the Securities are a Senior Transaction, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan";
- (d) if "Financial Reference Entity Terms" is specified as "Applicable" in the applicable Final Terms, and the Securities are a Subordinated Transaction, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if the Securities were a Senior Transaction; and
- (e) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of such Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available online on the Markit Group Limited website, any Additional LPN, and each Additional Obligation.

**Relevant Time** means with respect to any Reference Entity, Greenwich Mean Time or, where the Reference Entity is incorporated in Japan, Tokyo time, as specified in the applicable Final Terms.

**Relevant Valuation Date** means the Settlement Valuation Date, Valuation Date or Undeliverable Valuation Date, as the case may be.

**Replaced Deliverable Obligation Outstanding Amount** means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, which is being replaced.

**Replacement Deliverable Obligation** means each replacement Deliverable Obligation that the relevant Issuer will, subject to Credit Linked Condition 4 (*Physical Settlement*), Deliver to the Securityholders in lieu of each original Deliverable Obligation, which has not been Delivered as at the date of such NOPS Amendment Notice.

**Replacement Reference Entity** means an entity selected by the Calculation Agent in its discretion which is incorporated in the same geographical area, has the same Transaction Type as the Legacy

Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Ltd, at the date of the relevant Succession Event provided that in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Securityholders, the relevant Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Securityholders, the relevant Issuer or any other person for any profit or other benefit to it or any of its Affiliates, which may result directly or indirectly from any such selection.

**Representative Amount** means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

**Repudiation/Moratorium** means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority:
  - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Redemption Date (determined by reference to the Relevant Time):

- (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:
  - (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium; and
  - (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and
- (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium,

provided that in either case, the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** means a condition that is satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the Scheduled Redemption Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Redemption Date, or
- (b) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and unless Notice of Publicly Available Information is specified as "Not Applicable" in the applicable Final Terms, a Notice of Publicly Available Information by or on behalf of the Issuer to the Securityholders that is effective on or prior to the Scheduled Redemption Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Redemption Date.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Securityholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Redemption Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. Unless Notice of Publicly Available Information is specified as "Not Applicable" in the applicable Final Terms, if a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Resolve** has the meaning given to that term in the DC Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of any exchange) and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of American and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

- (b) Notwithstanding the provisions of sub-paragraph (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
  - (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) (inclusive) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iv) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) (inclusive) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity provided that in respect of paragraph (a)(v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.
- (c) For the purposes of sub-paragraphs (a) and (b) above and Credit Linked Condition 8.4 (*Multiple Holder Obligations*), the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in sub-paragraph (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in sub-paragraph (b) above shall continue to refer to the Reference Entity.
- (d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a)(i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**Restructuring Date** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Exercise Date** means the date that is 65 Business Days following the Final List Publication Date.

**Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Redemption Date. Notwithstanding the foregoing, if the final redemption date of the Restructured Bond or Loan with the latest final redemption date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "Latest Maturity Restructured Bond or Loan") and the Scheduled Redemption Date occurs prior to the final redemption date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final redemption date of such Latest Maturity Restructured Bond or Loan.

**Revised Currency Rate** means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

- (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
- (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner after consultation with the parties.

**Scheduled Redemption Date** means the date specified as such in the applicable Final Terms. Such date shall be subject to adjustment in accordance with the applicable Business Day Convention.

**Senior Non-Preferred Obligation** means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed. A Senior Non-Preferred Obligation shall, for the purposes of these Credit Linked Conditions, constitute a Subordinated Obligation as defined below in this Credit Linked Condition 10 (*Definitions*).

**Senior Non-Preferred Transaction** means a Notional Credit Derivative Transaction in respect of which "Additional Provisions for Senior Non-Preferred Reference Obligations (published on December 8, 2017)" is specified as applicable. A Senior Non-Preferred Transaction shall, for the purposes of these Credit Linked Conditions, constitute a Subordinated Transaction as defined below in this Credit Linked Condition 10 (*Definitions*).

**Senior Obligation** means any obligation, which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

**Senior Transaction** means a Notional Credit Derivative Transaction for which (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

**Seniority Level** means, with respect to an obligation of the Reference Entity, (a) if "Senior Non-Preferred Reference Obligations" is specified as applicable in the related Final Terms for such Reference Entity, "Senior Non-Preferred Level", and (b) otherwise: (i) "Senior Level" or "Subordinated Level" as specified in the related Final Terms, or (ii) if no such Seniority Level is specified in the related Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (iii) "Senior Level".

**Settlement Currency** means the currency specified as such in the applicable Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

**Settlement Method** means:

- (a) the Auction Settlement, Cash Settlement or Physical Settlement, as specified in the Final Terms; or
- (b) if no Settlement Method is specified in the Final Terms, Auction Settlement.

**Settlement Valuation Date** means the date being three (3) CLS Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement is given or, as the case may be, changed at any time after the third CLS Business Day prior to the Physical Settlement Date, the Settlement Valuation

Date shall be the date which is three (3) CLS Business Days after such Notice of Physical Settlement is given.

**Single Reference Entity CLS** means Credit Linked Securities in relation to which the relevant Issuer purchases credit protection from the Securityholders in respect of only one (1) Reference Entity.

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

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

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Reference Entity, which is a Sovereign (either directly or as provider of a Relevant Guarantee):

- (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred; and
- (b) which fell within the definition of a Deliverable Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Sovereign Succession Event** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

**Specified Deliverable Obligation(s)** means Deliverable Obligations of the Reference Entity or Nth Reference Entity as specified in the Notice of Physical Settlement or NOPS Amendment Notice (subject to the definition of such term) which, for the avoidance of doubt, may where Asset Package Delivery is applicable, include any Prior Deliverable Obligation, Package Observable Bond or Asset Package.

**Specified Currency** means, for the purposes of determining compliance with the Obligation Characteristics and Deliverable Obligation Characteristics only an obligation that is payable in the currency or currencies specified in the applicable Final Terms as such in relation to a Reference Entity (or, if Specified Currency is specified in the applicable Final Terms and no currency is so specified, Standard Specified Currency), provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

**SRO List** means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**Standard Reference Obligation** means the obligation of the Reference Entity with the relevant Seniority Level, which is specified from time to time on the SRO List.

**Standard Specified Currencies** means the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro shall mean the currency which succeeds to and replaces the euro in whole).



**Steps Plan** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**Subordinated Obligation** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

**Subordinated Transaction** means a Notional Credit Derivative Transaction for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

**Subordination** means, with respect to an obligation (the **Second Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **First Obligation**), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (ii) the holders of the Second Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. Subordinated will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date. This term "Subordination" shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction.

**Substitute Reference Obligation** has the meaning given to such term in Credit Linked Condition 6.4 (*Substitute Reference Obligations*).

**Substitution Date** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the parties of the Substitute Reference Obligation

**Substitution Event** means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below U.S.\$10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraph (a) or (b) above has occurred on or prior to the Issue Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraph (a) or (b), as the case may be, on the Issue Date.

**Substitution Event Date** means, with respect to a Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**Succession Date** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**Successor** means, in respect of a Reference Entity, the entity or entities, if any, determined as follows:

- (a) subject to paragraph (c) below of this definition, the entity or entities, if any determined as follows:
  - (i) Subject to paragraph (a)(vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor.
  - (ii) If only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor.
  - (iii) If more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Securities will be amended in accordance with the provisions set out in Credit Linked Condition 6 (*Succession Event*) above.
  - (iv) If one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Securities will be amended in accordance with the provisions set out in in Credit Linked Condition 6 (*Succession Event*) above.
  - (v) If one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the Securities will not be changed in any way as a result of such succession.
  - (vi) If one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the

Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor).

- (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and either (A) the Reference Entity has ceased to exist or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, that entity (the **Universal Successor**) will be the sole Successor.
- (b) The Calculation Agent will be responsible for determining with effect from the Succession Date any Successor or Successors under paragraph (a) above; provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations. Information about the occurrence of a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) pursuant to which one or more Successors to a Reference Entity can be determined, with reasonable detail of the facts relevant to the determination, pursuant to paragraph (a) of the definition of Successor, of the identity of any Successor(s), may be requested at any time by the Securityholders at the specified office of the Calculation Agent (subject to proof of ownership of such Securities in a form acceptable to the Calculation Agent), and will be notified as part of a notice of Potential Failure to Pay or a Repudiation/Moratorium Extension Notice or a Credit Event Notice (as the case may be) in respect of the relevant Reference Entity.

The Calculation Agent will make all calculations and determinations required to be made under this definition on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a)(i) to (vii) (inclusive) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions contemplated by such Steps Plan in aggregate as if forming part of a single succession.

- (c) An entity may only be a Successor if:
  - (i) either (1) the related Succession Date occurs on or after the Successor Backstop Date or (2) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For the purposes of this definition, "succeed" means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement) or (ii) issues Bonds or incurs Loans (the Exchange Bonds or Loans) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant

Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For the purposes of this definition, succeeded and succession shall be construed accordingly.

- (e) In the case of an exchange offer, the determination required pursuant to paragraph (a) above shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.
- (f) If two or more entities (each, a Joint Potential Successor) jointly succeed to one or more Relevant Obligations (collectively, the Joint Relevant Obligations) either directly or as a provider of a Relevant Guarantee, then (1) if the Joint Relevant Obligation was a direct obligation of the relevant Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (2) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

**Successor Backstop Date** means for purposes of any Successor determination determined by DC Resolution the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (a) the date on which the Calculation Agent determines that the succession is effective which date may be determined and (b) in circumstances where (i) a Successor Resolution Request Date has occurred, (ii) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (iii) the Calculation Agent determines that the date on which the succession is effective is not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention. **Successor Resolution Request Date** means, with respect to a notice to the DC Secretary, requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to a Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**Surviving Reference Entity** has the meaning given to such term in Credit Linked Condition 6.2(b).

**Tier 2 Subordinated Obligation** means any obligation of the Reference Entity which meets the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the **CRR**) or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

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

**Traditional Subordinated Obligation** means any of the following: (a) any Tier 2 Subordinated Obligations of the Reference Entity; (b) any obligations of the Reference Entity which rank or are expressed to rank pari passu with any Tier 2 Subordinated Obligations of the Reference Entity; and (c) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (a) and (b) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation. A Traditional Subordinated Obligation shall, for the purposes of these Credit Linked Conditions, constitute a Further Subordinated Obligation as defined below in this Credit Linked Condition 10 (*Definitions*).

**Transaction Auction Settlement Terms** means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit

Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

**Transaction Type** means any "Transaction Type" specified as such in the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date and as published by ISDA, as at the date of the Base Prospectus, at <http://www.isda.org>.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (c) restrictions in respect of blocked periods on or around payment dates and voting periods,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans.

**Undeliverable Obligation** means a Deliverable Obligation included in the Notice of Physical Settlement which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure by the Securityholder to deliver an Asset Transfer Notice, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible, impracticable or illegal to Deliver on the Physical Settlement Date.

**Undeliverable Valuation Date** means the date that is five (5) CLS Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date.

**Underlying Finance Instrument** means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

**Underlying Loan** means where the LPN Issuer provides a loan to the Reference Entity.

**Underlying Obligation** means, with respect to a guarantee, an obligation in respect of which the Reference Entity has agreed to pay all the amounts due thereunder.

**Underlying Obligor** means, the party, which is the principal obligor of an Underlying Obligation.

**Valuation Date** means:

- (a) any CLS Business Day falling within 122 CLS Business Days following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLS Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or
- (b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any CLS Business Day falling within 122 CLS Business Days following the Event Determination Date, as selected by the Calculation Agent in its sole and absolute discretion; or

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

**Valuation Obligation** means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Linked Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "Deliverable Obligation" if Physical Settlement were the applicable Settlement Method as selected by the Calculation Agent (in consultation with the relevant Issuer) in its sole and absolute discretion on the applicable Valuation Date, provided that, for such purpose:

- (a) any reference to the words "Delivery Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date"; and
- (b) where used in this definition of "Valuation Obligation", the term "Deliverable Obligation" is for convenience only and is not intended to amend the selected settlement method.

**Valuation Obligations Portfolio** means the Reference Obligation and/or one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion (in consultation with the relevant Issuer), each in an Outstanding Principal Balance selected by the Calculation Agent in its sole and absolute discretion provided that the aggregate of such Outstanding Principal Balances (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the Calculation Agent in its sole and absolute discretion)), shall not exceed the relevant Floating Rate Payer Calculation Amount.

**Valuation Time** means the time specified as such in the applicable Final Terms in relation to a Reference Entity or, if no time is so specified, 11.00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

**Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Weighted Average Final Price** means the weighted average of the Final Prices determined for each selected Valuation Obligation and/or Reference Obligation of a Reference Entity in the Valuation Obligations Portfolio, weighted by the Currency Amount of each such Valuation Obligation (or its equivalent in the Settlement Currency, converted by the Calculation Agent, in a commercially reasonable manner, by reference to exchange rates in effect at the time of such determination).

**Weighted Average Quotation** means, in accordance with the bid quotations provided by the CLS Dealers, the weighted average of firm quotations obtained from the CLS Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation, Reference Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

