

Merrill Lynch B.V.
(a Dutch Private Limited Liability Company)

Merrill Lynch International & Co. C.V.
(a Curaçao Limited Partnership)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

Unconditionally and irrevocably guaranteed by

Bank of America Corporation
(a Delaware (U.S.A.) corporation)

*This document (the "**Base Prospectus**") constitutes a base prospectus in respect of the Programme (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This Base Prospectus constitutes a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"). The Issuers have also prepared a registration document (the "**Registration Document**") for use in connection with the issue of Securities under the Programme. Securities issued under the Programme by way of Registration Document shall be documented in a Securities Note (the "**Securities Note**") and a Summary (the "**Summary**"). The Registration Document and any Securities Note and Summary prepared in connection therewith do not form part of this Base Prospectus.*

Under the terms of the Note, Warrant and Certificate Programme (the "**Programme**"), Merrill Lynch B.V. ("**MLBV**") may from time to time issue notes ("**Notes**") or certificates ("**Certificates**") and Merrill Lynch International & Co. C.V. ("**MLICo.**" and, together with MLBv, the "**Issuers**" and each an "**Issuer**") may from time to time issue Certificates or warrants ("**Warrants**" and, together with Certificates, "**W&C Securities**", and W&C Securities together with Notes, "**Securities**"). Securities relating to a specified index or a basket of indices ("**Index Linked Securities**"), a specified share or a basket of shares ("**Share Linked Securities**"), a specified global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or basket of GDRs and/or ADRs ("**GDR/ADR Linked Securities**"), a specified Fund or basket of Funds ("**Fund Linked Securities**") or any combination of the foregoing (and each such underlying asset or basis of reference, an "**Underlying Asset**") may be issued under the Programme. Securities may also bear interest (in the case of Notes) or pay additional amounts (in the case of W&C Securities). Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under "Terms and Conditions of the Notes" on pages 181 to 211 and the additional Terms and Conditions on pages 300 to 303, page 308, pages 310 to 317 and pages 344 to 439 (the "**Note Conditions**") and each issue of Warrants and Certificates will be issued on the terms set out herein which are relevant to such W&C Securities under "Terms and Conditions of the W&C Securities" on pages 247 to 298 and the additional Terms and Conditions on pages 300 to 301, pages 304 to 307, page 309, pages 318 to 434 and pages 440 to 447 (the "**W&C Conditions**") and, in each case, on such additional terms as will be set out in the applicable Final Terms (the "**Final Terms**"). **The Securities, and any non-contractual obligations arising out of them, will be governed by, and construed in accordance with, English law.**

Bank of America Corporation ("**BAC**") has in a guarantee dated 11 March 2013 (the "**Guarantee**"), irrevocably and unconditionally guaranteed the payment and non-cash delivery obligations in respect of the Securities issued by each Issuer from time to time under the Programme on or after the date of this Base Prospectus (see the section entitled "Form of the Guarantee"). **The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York.**

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme and MLBv's other structured products programmes will not exceed EUR 15,000,000,000 (or its equivalent in other currencies), subject to increase as described herein.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for

securities as amended by the Luxembourg Act dated 3 July 2012 (the "**Luxembourg Prospectus Law**"), to approve this Base Prospectus as a base prospectus. Pursuant to Article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF gives no undertaking as to, and assumes no responsibility for, the economic and financial characteristics of the Securities to be issued hereunder or the quality and solvency of any Issuer. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC. The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the relevant Issuer and the Dealer(s) (as defined herein) may agree. The applicable Final Terms will specify whether or not the Securities are to be listed on the Official List of the Luxembourg Stock Exchange and traded on the regulated market and/or any other stock exchanges. The relevant Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

The Securities, the Guarantee and, in certain cases, the Entitlement (as defined herein) (if any) relating to the Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under any U.S. state securities laws, and the Securities may not be offered, sold, transferred, pledged, delivered, exercised or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, any United States Person (as defined herein) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, certain issues of Securities, including all issues of Notes and Certificates, and the Entitlements (if any) relating to such Securities may not at any time be offered, sold or delivered in the United States or to, or for the account or benefit of, United States Persons, nor may any United States Persons at any time trade or maintain a position in such Securities. Neither Issuer has registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules thereunder. MLICo. may offer and sell Warrants of certain issues within the United States or to, or for the account or benefit of, United States Persons, if such persons are reasonably believed by MLICo. to be qualified institutional buyers (each a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also each a qualified purchaser (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder and who have executed an Investor Representation Letter (as defined herein) prior to acquiring any interest in the Warrants, such Warrants being referred to in this Base Prospectus as "**Rule 144A Warrants**". Each purchaser of Rule 144A Warrants being offered within the United States or to, or for the account or benefit of, a United States Person is hereby notified that the offer and sale of such Rule 144A Warrants is being made in reliance upon an exemption from the securities registration requirements of the Securities Act and the investment company registration requirements of the 1940 Act. In certain circumstances, exercise of Securities will be conditional upon certification as to non-U.S. beneficial ownership or in the case of certain Series of Warrants that the holder (and any person on whose behalf the holder is acting) is a QIB and a QP. See "Terms and Conditions of the W&C Securities" on pages 247 to 298 and "Additional Terms and Conditions for Rule 144A Warrants" on pages 440 to 447. Investors in the Securities will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Securities. See "Notice to Purchasers and Holders of Securities and Transfer Restrictions" on pages 455 to 466. Warrants sold in the United States or to, or for the account or benefit of, United States Persons who are QIBs and also QPs will be cash-settled Warrants only and will, unless otherwise specified in the applicable Final Terms, be sold through Merrill Lynch, Pierce, Fenner & Smith Incorporated or one of its affiliates, which in each case is a registered broker dealer in the United States.

Unless otherwise indicated, as used in this Base Prospectus, "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the United States Internal Revenue Code of 1986, as amended (the "**Code**") and in U.S. Treasury regulations.

For a description of certain further restrictions on offers and sales of the Securities and on the distribution of this Base Prospectus, see "Offering and Sale" on pages 506 to 525.

Each issue of Securities will be issued in the form set out in "Form of the Securities" on pages 118 to 124.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "Risk Factors" on pages 57 to 106.

The credit ratings of BAC referred to in this Base Prospectus have been issued by Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc., and Fitch Ratings, Inc., none of which is established in the European Union or registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the "CRA Regulation"). Credit ratings and outlooks may be adjusted over time, and there is no assurance that these credit ratings will be effective after the date of this Base Prospectus.

The rating of a certain series of Securities to be issued under the Programme may be specified in the applicable Final Terms. The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of the European Securities and Market Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

BofA MERRILL LYNCH

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

IMPORTANT NOTICES

This Base Prospectus has been approved by the CSSF as a Base Prospectus, and constitutes two Base Prospectuses for the purposes of Article 5.4 of the Prospectus Directive. This Base Prospectus is not a prospectus for purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.

In respect of Share Linked Securities, warrants falling under Article 17 of Commission Regulation (EU) 809/2004 may not be issued under this Base Prospectus.

In respect of Index Linked Securities, the specified index or basket of indices shall not be composed by BAC, MLBV or MLICo. or any legal entity belonging to the same group as BAC, MLBV or MLICo.

MLBV accepts responsibility for the information contained in this Base Prospectus, excluding the information set forth under "Merrill Lynch International & Co. C.V." on pages 470 to 471, the information set forth under "Selected Financial Data of Merrill Lynch International & Co. C.V." on pages 472 to 473, the information set forth under "Bank of America Corporation" on pages 474 to 478, the information set forth under "Selected Financial Data of Bank of America Corporation" on pages 479 and 480, the information set forth under "Annex 7 – Additional Terms and Conditions for Rule 144A Warrants" on pages 440 to 447, information incorporated by reference in respect of MLICo. and BAC, and statements in respect of MLICo. and BAC under "General Information" on pages 526 to 529 (together, the "MLBV Base Prospectus"), and to the best of the knowledge of MLBV (having taken all reasonable care to ensure that such is the case), the information contained in the MLBV Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

MLICo. accepts responsibility for the information contained in this Base Prospectus, excluding the information set forth under "Merrill Lynch B.V." on pages 467 to 468, the information set forth under "Selected Financial Data of Merrill Lynch B.V." on pages 469, the information set forth under "Bank of America Corporation" on pages 474 to 478, the information set forth under "Selected Financial Data of Bank of America Corporation" on pages 479 and 480, the information set forth under "Form of Retail Final Terms of the Notes" on pages 125 to 153, "Form of Wholesale Final Terms of the Notes" on pages 154 to 180, the information set forth under "Terms and Conditions of the Notes" on pages 181 to 211, the information set forth under "Annex 6 – Additional Terms and Conditions for Physical Delivery Notes" on pages 435 to 439, information incorporated by reference in respect of MLBV and BAC, and statements in respect of MLBV and BAC under "General Information" on pages 526 to 529 (together, the "MLICo. Base Prospectus"), and to the best of the knowledge of MLICo. (having taken all reasonable care to ensure that such is the case), the information contained in the MLICo. Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

BAC accepts responsibility for the information contained in this Base Prospectus and to the best of the knowledge of BAC (having taken all reasonable care to ensure that such is the case), the information contained in the Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. BAC has accurately reproduced the information contained in the MLBV Base Prospectus and MLICo. Base Prospectus.

In addition, in the context of any offer of securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "Non-exempt Offer"), each of the Issuers and the Guarantor accepts responsibility, in each of the Member States for which it has given its consent referred to herein, for the content of this Base Prospectus in relation to any person (an "Investor") to whom an offer of any Securities is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an

"Authorised Offeror"), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Subject to the conditions set out below, in connection with a Non-exempt Offer of any relevant Securities, the relevant Issuer and the Guarantor consent to the use of this Base Prospectus by each relevant Dealer or Manager and by:

- (1) any financial intermediaries named as an Initial Authorised Offeror in the applicable Final Terms;
- (2) if the relevant Issuer appoints additional financial intermediaries after the date of the applicable Final Terms and publishes details in relation to them on its website (www.invest.baml.com), each financial intermediary whose details are so published,

in the case of (1) or (2) above, for as long as such financial intermediaries are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) ("MiFID"); or
- (3) **in any other case, any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International and (ii) under MiFID, which states on its website that it is relying on this Base Prospectus to offer the relevant tranche of Securities during the Offer Period.**

The consent of the relevant Issuer and the Guarantor is subject to the following conditions:

- (i) the consent is only valid during the Offer Period specified in the applicable Final Terms (the **"Offer Period"**);
- (ii) the consent only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant tranche of Securities in Finland, Ireland, The Netherlands, Sweden and the United Kingdom; and
- (iii) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

Other than as set out above, none of the Issuers or Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Securities. Any such offers are not made on behalf of the Issuers or by any of the Dealers or Authorised Offerors and none of the Issuers or Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of the Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than the Dealers or Managers, as applicable) in connection with the offer or sale of the Securities and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer or any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as each Issuer and BAC is aware and is able to ascertain from information

published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Each Issuer has also identified the source(s) of such information.

No person is or has been authorised by MLB, MLCo., BAC or Merrill Lynch International ("MLI")* to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by MLB, MLCo., BAC, MLI or any other Dealer of an issue of Securities. This Base Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this Base Prospectus in any jurisdiction where any such action is required.

This Base Prospectus is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" on page 107). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

The Securities of each issue may be sold by the relevant Issuer and/or any Dealer at such time and at such prices as the relevant Issuer and/or the Dealer(s) may select. There is no obligation upon the relevant Issuer or any Dealer to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer.

Subject as provided in the "Terms and Conditions of the Notes" and the "Terms and Conditions of the W&C Securities", as applicable, each Issuer shall have complete discretion as to what type of Securities it issues and when.

Apart from the Issuers and BAC, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by MLB, MLCo. and/or BAC. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by MLB, MLCo. and/or BAC in connection with the Programme.

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning MLB, MLCo. and BAC is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to

* The marketing name of MLI is BofA Merrill Lynch as set out on page 3.

the date indicated in the document containing the same. No Dealer undertakes to review the financial condition or affairs of MLBV, MLICo. and/or BAC during the life of the Programme or to advise any investor in the Securities of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. None of MLBV, MLICo., BAC or any Dealer represents that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offer. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by MLBV, MLICo., BAC or any Dealer which is intended to permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the European Economic Area (including Luxembourg, the United Kingdom, France, Italy and The Netherlands), Argentina, Australia, Bahrain, China, Curaçao, Hong Kong, Indonesia, Israel, Japan, Malaysia, Panama, Philippines, Russia, Singapore, Switzerland, Taiwan and Uruguay, and such other restrictions as may be required in connection with the offering and sale of a particular series of Securities (see "Offering and Sale" on pages 506 to 525). In particular, the Securities, the Guarantee and, in certain cases, the Entitlement to be delivered upon exercise of the Securities, have not been and will not be registered under the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Unless otherwise noted, as used in this Base Prospectus, "United States" means the United States of America (including the States and District of Columbia) and its possessions. For the purposes of this paragraph, "United States person" has the meaning given to it by the Code and the U.S. Treasury regulations thereunder, including U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D).

No Securities, other than Rule 144A Warrants, or any interests therein, may at any time be offered, sold, resold, pledged, assigned, delivered, or otherwise transferred, exercised or redeemed directly or indirectly, in the United States or to, or for the account or benefit of, United States Persons and any offer, sale, resale, pledge, assignment, delivery or other transfer, exercise or redemption made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person will not be recognised. See "Notice to Purchasers and Holders of Securities and Transfer Restrictions" and "Offering and Sale".

The Securities and the Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Securities, the Guarantee and any Entitlement do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act of 1936, as amended (the "CEA"), and trading in the Securities has not been approved by the U.S. Commodities Futures Trading Commission pursuant to the CEA.

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs who are also QPs for informational use solely in connection with the consideration of the purchase of the Rule 144A Warrants. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Each purchaser or holder of interests in the Warrants will be deemed, by its acceptance or purchase of any such Warrants, to have made, or will be required to make, certain representations and agreements as set out in "Notice to Purchasers and Holders of Securities and Transfer Restrictions" and "Offering and Sale".

Notwithstanding anything to the contrary contained herein, each holder and beneficial owner of the Securities (and each employee, representative, or other agent of each holder and beneficial owner of the Securities) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein and all materials of any kind that are provided to the holder or beneficial owner of the Securities relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions with holders or beneficial owners of the Securities regarding the transactions contemplated herein.

None of MLBV, MLICo. or BAC has investigated, and none has or may have access to information that would permit it to ascertain, whether any company which has issued equity, debt or other instruments to which any Securities relate is for U.S. tax purposes a passive foreign investment company, a controlled foreign corporation, a publicly-traded partnership or other type of pass-through entity. Prospective investors in any Securities that are U.S. taxpayers should consult their own advisers concerning U.S. tax considerations relevant to an investment in such Securities.

If Securities are linked to Underlying Assets that are Shares of one or more United States issuers, such Shares must be registered with the SEC. In addition, if Securities are linked to Underlying Assets that are (i) Shares of one or more United States issuers or (ii) indices comprised of stock, Shares or other securities of United States issuers, such United States issuers must be, at the time of the issuance of the relevant Securities, a reporting issuer under the U.S. Securities Exchange Act of 1934, as amended.

In this Base Prospectus, references to:

- (i) "U.S.\$", "\$" and "U.S. dollars" are to United States Dollars;**
- (ii) "euro", "EUR" and "€" are to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time); and**
- (iii) "CNY" are to Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor to the CNY).**

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

issue date of the relevant Series of Notes and 60 calendar days after the date of the allotment of the relevant Series of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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AVAILABLE INFORMATION

BAC will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents relating to BAC incorporated herein by reference. Written requests for such documents should be directed to: Bank of America Corporation, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attention: Fixed Income Investor Relations, or fixedincomeir@bankofamerica.com. Telephone requests may be directed to either +1-866-607-1234 (toll free) or +1-212-449-6795. BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com. In addition, all documents incorporated herein by reference will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) or at the specified offices of the Principal Security Agent. References to web addresses in this Base Prospectus are included as inactive textual references only. Except as specifically incorporated by reference into this Base Prospectus, information on these websites is not part of this Base Prospectus.

SUMMARY OF THE PROGRAMME

- Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).
- This summary contains all the Elements required to be included in a summary for these types of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.
- Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction	<p>This summary should be read as introduction to the Base Prospectus. Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary, is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent	<p>[Subject to the conditions set out below, in connection with a Non-exempt Offer (as defined below) of Securities, the Issuer and the Guarantor consent to the use of the Base Prospectus by [the] [each] [Dealer] [Manager] [and by:</p> <p>(1) [[●], [●] and [●] (the "Initial Authorised Offeror[s]";]</p> <p>(2) [if the Issuer appoints additional financial intermediaries after the date of the Final Terms dated [●] and publishes details in relation to them on its website (www.invest.baml.com), each financial intermediary whose details are so published,</p> <p style="padding-left: 40px;">in the case of (1) or (2) above, for as long as such financial intermediaries are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC);] [or]</p> <p>(3) [[in any other case,] any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International and (ii) under the Markets in Financial Instruments Directive (Directive 2004/39/EC), which states on its website that it is relying on the Base Prospectus to offer the relevant tranche of Securities during the Offer Period specified below]],</p> <p>each an "Authorised Offeror" and together the "Authorised Offerors").</p> <p>The consent of the Issuer and the Guarantor is subject to the following conditions:</p> <p>(i) the consent is only valid during the period from [●] until [●] (the "Offer Period";] [and]</p> <p>(ii) the consent only extends to the use of the Base Prospectus to make Non-exempt Offers (as defined below) of the tranche of Securities in Finland, Ireland, The Netherlands, Sweden and the United Kingdom; and] [.]</p>

<p>[(iii) the consent is subject to the further following consents: [●].]</p> <p>A "Non-exempt Offer" of Securities is an offer of Securities that is not within an exemption from the requirement to publish a prospectus under Directive 2003/71/EC, as amended.</p> <p>Any person (an "Investor") intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the [Dealers] [Managers]) in connection with the offer or sale of the Securities and, accordingly, the Base Prospectus and the Final Terms will not contain such information and an Investor must obtain such information from the Authorised Offeror. Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will also be provided by the relevant Authorised Offeror.]</p>		
SECTION B – ISSUERS AND GUARANTOR		
B.1	Name of Issuer	<p>[Merrill Lynch B.V. ("MLBV")]</p> <p>[Merrill Lynch International & Co. C.V. ("MLICo.")]</p>
B.2	Domicile and legal form	<p>[MLBV is a private limited liability company incorporated under the laws of The Netherlands. The registered office of MLBV is Amstelplein 1, Rembrandt Tower 11th Floor, 1096 HA Amsterdam, The Netherlands.]</p> <p>[MLICo. is a Curaçao limited partnership organised under the laws of Curaçao. The registered office of MLICo. is Kaya W.G.F. (Jombi) Mensing 36, Curaçao.]</p>
B.4b	Known trends	<p>[MLBV's primary objective in 2013 will be the continued development of securitised products to be offered and sold to retail, "high net worth" and institutional investors principally outside of the United States linked to a range of underlying assets including equity, credit, interest rates, commodities, exchange rates and funds.]</p> <p>[MLICo.'s primary objective in 2013 will be the continued development of securitised products to be offered and sold to retail, "high net worth" and institutional investors principally outside of the United States linked to a range of underlying assets including equity, credit, interest rates, commodities, exchange rates and funds.]</p>
B.5	Description of the Group	<p>[MLBV is majority-owned through a 99.98 per cent. shareholding by Merrill Lynch International Holdings Inc., which in turn, is wholly-owned by Merrill Lynch & Co., Inc., whose ultimate parent is Bank of America Corporation ("BAC").]</p> <p>[In respect of MLICo., ML Cayman Holdings Inc., a corporation organised under the laws of the State of Delaware in the United States, is the General, Managing and Directing Partner ("Directing Partner") of MLICo. and holds a Preferred Partnership interest in MLICo. Merrill Lynch International Services Limited ("Limited Partner"), a Canadian company, is the Limited Partner. The Limited Partner is indirectly wholly owned by BAC. The Directing Partner is wholly-owned by Merrill Lynch International Holdings Inc., which is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by ML&Co. which, in turn, is wholly-owned by BAC. Each of Merrill Lynch International Holdings Inc., Merrill Lynch International Incorporated and</p>

		ML&Co. is a corporation organised under the laws of the State of Delaware in the United States.]																																																
		See also B.19 (B.5) below.																																																
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made in the Base Prospectus.																																																
B.10	Audit report qualifications	Not applicable; there are no qualifications in the audit report on the historical financial information.																																																
B.12	Selected historical key financial information	<u>[MLBV]</u> Balance Sheet as at 12 November 2012 <table><tr><td>ASSETS</td><td>12 Nov 2012 U.S.\$</td><td>LIABILITIES</td><td>12 Nov 2012 U.S.\$</td></tr><tr><td>CURRENT ASSETS</td><td></td><td>EQUITY</td><td></td></tr><tr><td>Debtors</td><td></td><td>Subscribed capital</td><td>65</td></tr><tr><td>• <i>Becoming due and payable within one year</i></td><td></td><td></td><td></td></tr><tr><td>Amounts owed by affiliated undertakings</td><td>65</td><td></td><td></td></tr><tr><td>TOTAL ASSETS</td><td><u>65</u></td><td>TOTAL LIABILITIES</td><td><u>65</u></td></tr></table>				ASSETS	12 Nov 2012 U.S.\$	LIABILITIES	12 Nov 2012 U.S.\$	CURRENT ASSETS		EQUITY		Debtors		Subscribed capital	65	• <i>Becoming due and payable within one year</i>				Amounts owed by affiliated undertakings	65			TOTAL ASSETS	<u>65</u>	TOTAL LIABILITIES	<u>65</u>																					
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		Other than MLBV's merger with MLSA on 31 December 2012, effective as of 1 January 2013, there has been no material adverse change in the prospects and no significant change on the financial or trading position of MLBV, since its date of incorporation.]																																																
		<u>[MLICo.]</u> Profit and Loss Account <table><tr><td></td><td>30 June 2012</td><td>30 June 2011</td><td>31 December 2011</td><td>31 December 2010</td></tr><tr><td></td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td></tr><tr><td>Turnover</td><td>124,944</td><td>126,639</td><td>247,217</td><td>245,250</td></tr><tr><td>Operating Profit</td><td>2,708</td><td>16,067</td><td>30,062</td><td>48,474</td></tr><tr><td>(Loss)/Profit on Ordinary Activities Before Taxation</td><td>(21,459)</td><td>(6,353)</td><td>(15,330)</td><td>8,691</td></tr><tr><td>(Loss)/Profit for the Financial Year Before Taxation</td><td>(21,479)</td><td>(6,239)</td><td>(15,445)</td><td>8,443</td></tr><tr><td>Partner's (Loss)/Profit Allocation</td><td></td><td></td><td></td><td></td></tr><tr><td>General Partner's Loss/(Profit) Allocation</td><td>21,479</td><td>6,239</td><td>15,445</td><td>(8,443)</td></tr><tr><td>Profit for the Financial Year After Partner's Profit Allocation</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>					30 June 2012	30 June 2011	31 December 2011	31 December 2010		U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	Turnover	124,944	126,639	247,217	245,250	Operating Profit	2,708	16,067	30,062	48,474	(Loss)/Profit on Ordinary Activities Before Taxation	(21,459)	(6,353)	(15,330)	8,691	(Loss)/Profit for the Financial Year Before Taxation	(21,479)	(6,239)	(15,445)	8,443	Partner's (Loss)/Profit Allocation					General Partner's Loss/(Profit) Allocation	21,479	6,239	15,445	(8,443)	Profit for the Financial Year After Partner's Profit Allocation	-	-	-	-
	30 June 2012	30 June 2011	31 December 2011	31 December 2010																																														
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		Balance Sheet <table><tr><td></td><td colspan="2">30 June 2012</td><td colspan="2">31 December 2011</td><td colspan="2">31 December 2010</td></tr><tr><td></td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td><td>U.S.\$'000</td></tr><tr><td>Fixed Assets</td><td></td><td>917</td><td></td><td>969</td><td></td><td>1,198</td></tr><tr><td>Current Assets</td><td>5,690,678</td><td></td><td>5,405,885</td><td></td><td>13,094,223</td><td></td></tr></table>					30 June 2012		31 December 2011		31 December 2010			U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	Fixed Assets		917		969		1,198	Current Assets	5,690,678		5,405,885		13,094,223																		
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		Creditors	5,691,595	5,406,854	13,095,421
		Net Current Liabilities	(917)	(969)	(1,198)
			-	-	-
		There has been no material adverse change in the prospects of MLICo., since 31 December 2011 and no significant change in the financial or trading position of MLICo., since 30 June 2012.]			
B.13	Recent events	[Not applicable; there have been no recent events particular to MLB V which are to a material extent relevant to the evaluation of the solvency of MLB V.]			
		[Not applicable, there have been no recent events particular to MLICo. which are to a material extent relevant to the evaluation of the solvency of MLICo.]			
B.14	Dependence upon other members of the Issuer's group	Please refer to B.5 above.			
		[MLB V is not dependent on other members of the group.]			
		[MLICo. is not dependent on other members of the group.]			
B.15	Principal activities	[The main activity of MLB V consists of granting loans to group companies and issuing notes, certificates and other securities to investors.]			
		[The principal activities of MLICo. are the issuance of warrants, certificates and related financial instruments, and distribution of Merrill Lynch International managed funds and other managed fund products.]			
B.16	Ownership and control	[MLB V is majority-owned through a 99.98 per cent. shareholding by Merrill Lynch International Holdings Inc., which in turn, is wholly-owned by Merrill Lynch & Co., Inc., whose ultimate parent is BAC.]			
		[In respect of MLICo., ML Cayman Holdings Inc. is Directing Partner of MLICo. Merrill Lynch International Services Limited is the Limited Partner and is indirectly wholly owned by BAC. The Directing Partner is wholly-owned by Merrill Lynch International Holdings Inc., which is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by ML&Co. which, in turn, is wholly-owned by BAC.]			
B.17	Ratings:	[MLB V is not rated.]			
		[MLICo. is not rated.]			
		[The Securities have not been rated][The Securities to be issued have been rated [] by [].] <i>[Insert if Annex V or Annex XIII is applicable and the Securities are Notes]</i>			
B.18	Guarantee	BAC has in a New York law governed guarantee dated [11] March 2013 (the " Guarantee ") unconditionally and irrevocably guaranteed (i) the due and punctual payment by the Issuer of any and all amounts payable by such Issuer as obligor in respect of each Security; and (ii) the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of each Security.			
		BAC shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver specified assets to holders of the Securities when the same shall become due and deliverable, but in lieu thereof, to pay an amount equal to the fair market value of the specified assets in respect of such Securities on any date notified as such by BAC to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all			

		as determined by BAC in its sole and absolute discretion.
		The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, rank <i>pari passu</i> with its other present and future unsecured and unsubordinated contractual obligations.
B.19 (B.1)	Name of Guarantor	Bank of America Corporation ("BAC")
B.19 (B.2)	Domicile and legal form	<p>BAC is a Delaware corporation. BAC operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "Delaware General Corporation Law".</p> <p>The registered office of BAC is at the Corporation Trust Company, Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States.</p>
B.19 (B.4b)	Known trends	The banking environment and markets in which BAC conducts its businesses will continue to be strongly influenced by developments in the U.S. and global economies, including the results of the European Union sovereign debt crisis and the implementation and rulemaking associated with recent financial reform.
B.19 (B.5)	Description of the Group	BAC acts as the holding company of over 1,600 subsidiary undertakings worldwide which are all operative within the financial services sector.
B.19 (B.9)	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made in the Base Prospectus.
B.19 (B.10)	Audit report qualifications	Not applicable; there are no qualifications in the audit report on the historical financial information.
B.19 (B.12)	Selected historical key financial information	<div><div>BAC</div><div><div><div>Year ended 31 December</div><div><div>2012</div><div>2011</div><div>2010</div></div></div><div>(Dollars in millions, except number of shares and per share information)</div><div><div><div>Income statement:</div><div><div>Interest income</div><div>Interest expense</div><div>Net interest income</div><div>Noninterest income</div><div>Total revenue, net of interest expense</div><div>Provision for credit losses</div><div>Noninterest expense</div><div>Income (loss) before income taxes</div><div>Income tax expense (benefit)</div><div>Net income (loss)</div><div>Net income (loss) applicable to common shareholders</div><div>Average common shares issued and outstanding (in thousands)</div><div>Average diluted common shares issued and outstanding (in thousands)</div><div>Per common share information:</div><div><div>Earnings (loss)</div><div>Diluted earnings (loss)</div><div>Dividends paid</div></div></div><div><div><div>31 December</div><div><div>2012</div><div>2011</div></div></div><div>(Dollars in millions, except percentages)</div><div><div><div>Balance Sheet (year end):</div><div><div>Total loans and leases</div><div>Total assets</div><div>Total deposits</div><div>Long-term debt</div><div>Total shareholders' equity</div><div>Allowance for loan and lease losses as a percentage of total</div></div><div><div><div>\$907,819</div><div>2,209,974</div><div>1,105,261</div><div>275,585</div><div>236,956</div><div></div></div><div><div><div>\$926,200</div><div>2,129,046</div><div>1,033,041</div><div>372,265</div><div>230,101</div><div></div></div></div></div></div></div></div></div></div></div></div>

		loans and leases outstanding ¹	2.69%	3.68%
		Total ending equity to total ending assets	10.72%	10.81%
		Capital ratios (year end):		
		Risk-based capital		
		Tier 1 common capital	11.06%	9.86%
		Tier 1 capital	12.89%	12.40%
		Total capital	16.31%	16.75%
		Tier 1 leverage	7.37%	7.53%
		¹ Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.		
		There has been no material adverse change in the prospects of BAC and its subsidiaries on a consolidated basis since 31 December 2012. There has been no significant change in the financial or trading position of BAC and its subsidiaries on a consolidated basis since 31 December 2012.		
B.19 (B.13)	Recent events	Not applicable; there have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.		
B.19 (B.14)	Dependence upon other members of the Guarantor's group	Please refer to B.19 (B.5) above. BAC, as the parent company, depends on dividends, distributions and other payments from its banking and nonbanking subsidiaries to fund dividend payments on its common stock and preferred stock and to fund all payments on its other obligations, including debt obligations. Applicable laws and regulations, including capital and liquidity requirements, may restrict BAC's ability to transfer funds from its subsidiaries to itself or other subsidiaries.		
B.19 (B.15)	Principal activities	BAC, through its subsidiaries, provides a diversified range of banking and non banking financial services and products in all 50 states of the United States, the District of Columbia, and more than 40 non-U.S. countries. BAC provides these services and products through five business segments: (1) <i>Consumer & Business Banking</i> , (2) <i>Consumer Real Estate Services</i> , (3) <i>Global Banking</i> , (4) <i>Global Markets</i> and (5) <i>Global Wealth & Investment Management</i> .		
B.19 (B.16)	Ownership and control	BAC is not directly or indirectly owned or controlled by any other corporation.		
B.19 (B.17)	Ratings	As at the date of this Base Prospectus, BAC's long-term senior debt is rated Baa2 (Negative) by Moody's Investors Service, Inc. (" Moody's "), A- (Negative) by Standard & Poor's Financial Services LLC (" S&P ") and A (Stable) by Fitch Ratings, Inc. (" Fitch "). BAC's subordinated debt is rated Baa3 (Negative) by Moody's, BBB+ (Negative) by S&P and BBB (Stable) by Fitch.		
SECTION C – SECURITIES				
C.1	The Securities	[Cash settled Securities] [Cash settled and/or physical delivery Securities] comprised of [Share linked Securities] [and] [Index linked Securities] [and] [GDR/ADR linked Securities] [and] [Fund linked Securities]. • [insert title of securities] (" Securities "). • ISIN: [●].		
C.2	Currency	The currency of the Securities will be [●].		
C.5	Restrictions on free transferability	• [Insert for Notes and Certificates] [The Securities may not be legally or beneficially owned by any United States Person at any time nor offered, sold, resold, traded, pledged, exercised, settled, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person. " United States Person " means a person which is a "U.S. person" for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended, or a "United States person" for the purposes of the U.S. Internal Revenue Code of 1986, as		

		<p>amended, and the U.S. Treasury regulations.</p> <ul style="list-style-type: none"> • The Securities may not be acquired by, on behalf of, or with the assets of any plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts.] • <i>[Insert for Warrants]</i> [Any reoffers, resales, trades, pledges, transfers or deliveries of Warrants, or any part thereof, offered and sold in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), will only be made to or through the Issuer or the Dealer in the United States or to, or for the account or benefit of, a United States Person that is a "qualified institutional buyer" for the purposes of Rule 144A who also is a "qualified purchaser" for the purposes of the U.S. Investment Company Act of 1940, as amended, and who, as a condition to any such reoffer, resale, trade, pledge, transfer or delivery, will enter into, and remain in compliance with, an Investor Representation Letter executed for the benefit of the Dealer, the Issuer and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer or Guarantor). "United States Person" means a person which is a "U.S. person" for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended, or a "United States person" for the purposes of the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations. • Any reoffers, resales, trades, pledges, transfers or deliveries of the Warrants or any part thereof, offered and sold pursuant to Regulation S of the Securities Act will only be made outside the United States and to, or for the account or benefit of, non-United States Persons in accordance with Regulation S.] • The Securities may not be offered or sold in any jurisdiction in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer or sale.
C.8	Rights attached to the Securities	<ul style="list-style-type: none"> • <i>[Insert for W&C Securities]</i> [Unscheduled early exercise and cancellation: The Securities may be exercised and cancelled prior to the settlement date at the Issuer's option for reasons of tax or illegality or following certain disruption events or events giving rise to a replacement of a relevant currency with a substitute currency under the conditions of the Securities. In such case, the amount payable on early exercise and cancellation shall be, for each Security, an amount equal to the fair market value of the Security taking into account all relevant factors less all costs incurred by the Issuer or any of its affiliates in connection with such early exercise and cancellation.] • <i>[Insert for Notes]</i> [Unscheduled early redemption: The Securities may be redeemed prior to the scheduled maturity date for taxation reasons, following an event of default and acceleration of the Securities, or, if applicable, following certain disruption events or changes in applicable law or events giving rise to a replacement of a relevant currency with a substitute currency under the conditions of the Securities. In such case, the amount payable on early redemption shall be, for each Security of the Calculation Amount of [●], an amount equal to the fair market value of the Security taking into account all relevant factors (provided that no account shall be taken of the Issuer's financial condition) less all costs incurred by the Issuer or any of its affiliates in connection with such early redemption.] • <i>[Insert for Securities unless Target Volatility Conditions are applicable]</i> [Securities linked to underlying asset[s]: The amount payable on the

Securities depends on the value of the underlying asset[s]. **Holders of the Securities ("Holders") shall have no rights in relation to the underlying asset[s].**

- *[Insert if "Mandatory Early Exercise" is applicable to W&C Securities]*
Settlement upon a Mandatory Early Exercise Event: If, in respect of a Reference Date, [the Asset Performance of the Worst Performing Asset on such Reference Date] [the Asset Performance of the underlying asset on such Reference Date] is [greater than] [less than] [or equal to] the relevant Mandatory Early Exercise Trigger (in each case, such event being a "**Mandatory Early Exercise Event**" and such date on which the Mandatory Early Exercise Event has occurred, the "**Mandatory Early Exercise Date**" (and subject to adjustment in accordance with the conditions of the Securities)), the Securities will be exercised and cancelled and the Mandatory Early Exercise Cash Settlement Amount shall be payable on the Mandatory Early Exercise Cash Settlement Date following such Mandatory Early Exercise Date.

The Mandatory Early Exercise Cash Settlement Amount for each Security will be the Reference Amount *[If "**Additional Amount (Mandatory Early Exercise)**" is applicable]* [plus, the Additional Amount (Mandatory Early Exercise)].

Where:

"**Additional Amount (Mandatory Early Exercise)**" means an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times t \times AP$$

"**AP**" means the additional percentage, being [\bullet] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [\bullet] and [is expected to be [\bullet] but] shall not be [more than [\bullet]] [and] [less than [\bullet]].

"**Asset Performance**" means, in respect of an underlying asset, the *quotient* of (i) the official closing value of such underlying asset on the relevant date, *divided* by (ii) the Initial Value of such underlying asset.

"**Initial Value**" [in respect of each underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below, shall have the meaning set forth against such underlying asset in the column entitled "Initial Value"] [in respect of each Share, shall have the meaning set forth against the relevant Share Company of such Share in the column entitled "Initial Value" of the table set out at C.20 below] [means, in respect of each underlying asset, the official closing value of such underlying asset on the Strike Date].

"**Mandatory Early Exercise Cash Settlement Date**" means the day falling on the [\bullet] business day after the Mandatory Early Exercise Date.

"**Mandatory Early Exercise Trigger**" means, [in respect of each Reference Date, the amount specified in the column entitled "Mandatory Early Exercise Trigger" of the "Mandatory Early Exercise Table" below and corresponding to such Reference Date] [\bullet].

"**RA**" or "**Reference Amount**" means [\bullet] per Security.

"**Reference Date**" means [\bullet], [\bullet] and [\bullet] [each date set out under the heading "Reference Dates" in "Mandatory Early Exercise Table" below], each date subject to adjustment in accordance with the conditions of the Securities.

"**Share**" means [the] [each of the] [ordinary shares] [depository

receipts] of the relevant company set out under the heading "Share Company".]

"**Strike Date**" means [●], subject to adjustment in accordance with the conditions of the Securities.

["**t**" means in respect of each Reference Date, a value (**which** may be zero) specified in the column entitled "**t**" of the Mandatory Early Exercise Table below and corresponding to such Reference Date.]

["**Worst Performing Asset**" means, in respect of any relevant day, the underlying asset with the **lowest** Asset Performance on such day.]

[Insert table if required]

Mandatory Early Exercise Table		
Reference Dates	Mandatory Early Exercise Trigger	[t]
[●]	[●]	[●]
[●]	[●]	[●]

[If "Additional Amount" is applicable to W&C Securities, and neither the LEPW Conditions nor the Target Volatility Conditions are applicable]

[**Additional Amount(s):**

An "**Additional Amount**" in respect of each Security of a series may be payable on each Additional Amount Payment Date in the circumstances described below.

[If "Periodic Additional Amounts" is applicable] The Additional Amount payable in respect of each Security on each Additional Amount Payment Date will be calculated as:

$$NA \times AAR \times AARDCF$$

Where:

"**AAR**" means the additional amount rate, being [●] per cent. per annum.

"**AARDCF**" means, in respect of an Additional Amount Payment Date, the day count fraction (being [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [30/360 (ICMA)] / [30/360] / [30E/360] / [30E/360 (ISDA)] applied to the Additional Amount Period corresponding to such Additional Amount Payment Date.

"**Additional Amount Payment Date**" means each of the following dates: [●], [●] [and] [●] [insert if "Mandatory Early Exercise" is applicable] [, provided that if the Securities are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory Early Exercise Date shall be the final Additional Amount Payment Date for the Securities (and there shall be no further Additional Amount Payment Dates)].

"**Additional Amount Period**" means the period commencing on (and including) the Additional Amount Commencement Date (being [●]) and ending on (but excluding) the first Additional Amount Payment Date and each period commencing on (and including) an Additional Amount Payment Date and ending on (but excluding) the next following Additional Amount Payment Date, in each case, [after all applicable adjustments have been made to such Additional Amount Payment Dates

pursuant to the Conditions] / [by reference to the dates on which such Additional Amount Payment Dates are scheduled to fall, disregarding all applicable adjustments to such dates pursuant to the Conditions].

"NA" means the notional amount per Security, being [●].

[If "Fixed Additional Amount" is applicable] The Additional Amount payable in respect of each Security on each Additional Amount Payment Date shall be [[●]] [an amount equal to the Reference Amount multiplied by the Additional Amount Percentage].

Where:

"Additional Amount Payment Date" means each of the following dates: [●], [●] [and] [●] [insert if "Mandatory Early Exercise" is applicable] [, provided that if the Securities are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory Early Exercise Date shall be the final Additional Amount Payment Date for the Securities (and there shall be no further Additional Amount Payment Dates)].

"Additional Amount Percentage" means [[●] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and [is expected to be [●] but] shall not be [more than [●]] [and] [less than [●]]].

"Reference Amount" means [●] per Security.

[If "Additional Amount Event" and "Additional Cumulative Amount" are applicable] [If the Calculation Agent determines that:

- (i) the Asset Performance of the Worst Performing Asset on any Additional Amount Reference Date (being each of the following date(s): [●], [●] and [●]) is greater than or equal to the Additional Amount Threshold (being equal to [●]) (such event, an "Additional Amount Event"), then the Additional Amount payable on the Additional Amount Payment Date immediately following such Additional Amount Reference Date (the "Current Additional Amount Payment Date") will be calculated as follows:

$$RA \times (AAP + ACP); \text{ or}$$

- (ii) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, then no Additional Amount will be payable on such Additional Amount Payment Date.

Where:

"AAP" means the additional amount percentage, being [[●] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and [is expected to be [●] but] shall not be [more than [●]] [and] [less than [●]]].

"ACP" means an amount calculated as the AAP multiplied by the number of Additional Amount Payment Dates falling prior to the Current Additional Amount Payment Date (but after the most recent Additional Amount Payment Date on which an Additional Amount was paid (if any)) on which no Additional Amount was paid (and the ACP for the Current Additional Amount Payment Date will be zero if there are no Additional Amount Payment Dates falling prior to the Current Additional Amount Payment Date or if an Additional Amount was paid on each Additional Amount Payment Date falling prior to the Current

Additional Amount Payment Date).

"Additional Amount Payment Date" means [each of the following dates: [●], [●] [and] [●] / [the tenth business day following each Reference Date (other than the Final Reference Date) and the settlement date] *[insert if "Mandatory Early Exercise" is applicable]*], provided that if the Securities are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory Early Exercise Date shall be the final Additional Amount Payment Date for the Securities (and there shall be no further Additional Amount Payment Dates)].

"Final Reference Date" means [●], subject to adjustment in accordance with the conditions of the Securities.]

"RA" means the Reference Amount, being [●].

"Reference Date" means each of the following date(s): [●], [●] and [●], each subject to adjustment in accordance with the conditions of the Securities.]]

[If "Additional Amount Event" and "Additional Non-Cumulative Amount" are applicable] [If the Calculation Agent determines that:

- (i) the Asset Performance of the Worst Performing Asset on any Additional Amount Reference Date (being each of the following date(s): [●], [●] and [●]) is greater than or equal to the Additional Amount Threshold (being equal to [●]) (such event, an **"Additional Amount Event"**), then the Additional Amount payable on the Additional Amount Payment Date immediately following such Additional Amount Reference Date will be calculated as follows:

$$RA \times AAP$$

- (ii) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, then no Additional Amount will be payable on such Additional Amount Payment Date.

Where:

"AAP" means the additional amount percentage being [●] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and [is expected to be [●] but] shall not be [more than [●]] [and] [less than [●]]].

"RA" means the Reference Amount, being [●].

[If "Accrual Additional Amount" is applicable] [The Additional Amount payable on an Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$AA \times \frac{n}{N}$$

Where:

"AA" means [●].

"Barrier Call Event (observation period)" means [the official closing level of the Index on any relevant day during the Observation Period is [greater than] [less than] [or equal to] the Barrier Call Level for such day] / [the level of the Index at any time during the regular trading hours of the relevant exchange on any relevant day during the

Observation Period is [greater than] [less than] [or equal to] the Barrier Call Level for such day].

"Barrier Call Level" means [●] [equal to] [[●] per cent. of the Initial Level].

"Barrier Level" means [●] [equal to] [[●] per cent. of the Initial Level].

"Barrier Put Event (observation period)" means [the official closing level of the Index on any relevant day during the Observation Period is [greater than] [less than] [or equal to] the Barrier Level] / [the level of the Index at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period is [greater than] [less than] [or equal to] the Barrier Level].

"n" means the total number of business days in the Observation Period falling prior to the first day on which either a Barrier Put Event (observation period) or a Barrier Call Event (observation period) occurs (such day, a **"Barrier Event Date"**). If the Calculation Agent determines that there is no Barrier Event Date, "n" shall be deemed to have a value equal to N.]

"N" means the number of business days in the Observation Period.

"Observation Period" means the period commencing on [(and including)] /[(but excluding)] [●] (the **"Observation Period Start Date"**) and ending on [(and including)] /[(but excluding)] [●].]

[If "Additional Amount" is applicable and the LEPW Conditions are applicable and the underlying assets are Shares] An **"Additional Amount"** may be payable in respect of each Security, which will be calculated as (i) 100 per cent. of the cash dividend per share (less any applicable taxes), converted into the *Settlement Currency* at the relevant exchange rate on or around the date that a hypothetical broker dealer would have received such cash dividend, multiplied by (ii) [●] Shares per Security. Any Additional Amount will be paid on the [fifth] / [●] business day after each date that a hypothetical broker dealer that holds one underlying share would have received a cash dividend payment from the issuer of such underlying share.

- *[Insert for W&C Securities]* **Settlement on scheduled settlement date:** If the Securities have not already been exercised and settled, the cash settlement amount for each Security payable on the settlement date will be

[Insert for "CSA 1"] [if:

- (i) the official closing value of the Worst Performing Asset on the Final Reference Date is greater than or equal to the Barrier Value of the Worst Performing Asset, the cash settlement amount will be equal to the Reference Amount;
- (ii) the official closing value of the Worst Performing Asset on the Final Reference Date is less than the Barrier Value of the Worst Performing Asset, the cash settlement amount will be calculated as follows:

$$RA \times \text{Asset Performance (Worst Performing)]}$$

[Insert for "CSA 2"] [if:

- (i) the Asset Performance of the Worst Performing Asset on the Final Reference Date is greater than or equal to the Strike Amount, the cash settlement amount will be calculated as follows:

$$RA + (RA \times T \times AP)$$

- (ii) the Asset Performance of the Worst Performing Asset on the Final Reference Date is less than the Strike Amount, the cash settlement amount will be equal to the Reference Amount]

[Insert for "CSA 3"] [if:

- (i) the Asset Performance of the underlying asset on the Final Reference Date is greater than or equal to the Strike Amount, the cash settlement amount will be calculated as follows:

$$RA + (RA \times T \times AP)$$

- (ii) the Asset Performance of the underlying asset on the Final Reference Date is less than the Strike Amount, and:

- (a) the official closing value of the underlying asset on the Final Reference Date is greater than or equal to the Barrier Value, the cash settlement amount will be the Reference Amount; or
- (b) the official closing value of the underlying asset on the Final Reference Date is less than the Barrier Value, the cash settlement amount will be calculated as follows:

$$RA \times \text{Asset Performance (Final)]}$$

[Insert for "CSA 4"] [if the Calculation Agent determines that:

- (i) the Final Level of the Index is greater than or equal to the Trigger Level (being [●]), the cash settlement amount will be calculated as follows:

$$RA + (RA \times T \times AP)$$

- (ii) the Final Level of the Index is less than the Trigger Level, and

- (a) no Barrier Event has occurred, the cash settlement amount will be equal to the Reference Amount; or
- (b) a Barrier Event has occurred, and:

- (I) if "**Capped**" is applicable, the cash settlement amount will be calculated as follows:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Level}}{\text{Initial Level}} \right); \text{ or}$$

- (II) if "**Uncapped**" is applicable, the cash settlement amount will be calculated as follows:

$$RA \times \left(1 - \text{Max} \left[0; \frac{\text{Initial Level} - \text{Final Level}}{\text{Initial Level}} \right] \right)]$$

[Insert for "CSA 5"] [if the Calculation Agent determines that:

- (i) no Barrier Event has occurred, the cash settlement amount will be equal to the Reference Amount; or
- (ii) a Barrier Event has occurred, the cash settlement amount will be calculated as follows:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Level}}{\text{Initial Level}} \right)]$$

[Insert for "CSA 6"] [calculated as follows:

$$RA + \{ RA \times FX \times \text{Max} [0; P \times (BP \text{ Average} - 1)] \}$$

[Insert for "CSA 7"] [calculated as follows:

$$RA + \{RA \times \text{Max} [0; P \times (BP - 1 - OTM)]\}$$

[Insert for "CSA 8"] [calculated as follows:

$$RA + \{RA \times \text{Max} [0; P \times (BP - 1 - [AAP \times N_{AAPD}])]\}$$

[Insert for "CSA 9"] [if the Calculation Agent determines that:

- (i) a Barrier Put Event and a Barrier Call Event have occurred, the cash settlement amount will be calculated as follows:

$$IP \times \left\{ 1 - \text{Max} \left[0; \left(1 - \frac{\text{Final Level}}{\text{Initial Level}} \right) \right] - \text{Max} \left[0; \text{Min} \left[1; \left(\frac{\text{Final Level}}{\text{Initial Level}} - 1 \right) \right] \right] \right\}$$

- (ii) a Barrier Put Event has occurred but no Barrier Call Event has occurred, the cash settlement amount will be calculated as follows:

$$IP \times \left\{ 1 - \text{Max} \left[0; \left(1 - \frac{\text{Final Level}}{\text{Initial Level}} \right) \right] \right\}$$

- (iii) no Barrier Put Event has occurred but a Barrier Call Event has occurred, the cash settlement amount will be calculated as follows:

$$IP \times \left\{ 1 - \text{Max} \left[0; \text{Min} \left[1; \left(\frac{\text{Final Level}}{\text{Initial Level}} - 1 \right) \right] \right] \right\}$$

- (iv) no Barrier Put Event has occurred and no Barrier Call Event has occurred, the cash settlement amount will be equal to IP.]

[Insert for "CSA 10"] [if the Calculation Agent determines that:

- (i) the Final Average Level of the Index is greater than or equal to the Initial Level of the Index, the cash settlement amount will be calculated as follows:

$$RA \times P \times \text{Max} \left(0; \frac{\text{Final Average Level} - \text{Initial Level}}{\text{Initial Level}} \right)$$

- (ii) the Final Average Level of the Index is less than the Initial Level of the Index, and:

- (a) the Final Level of the Index is greater than or equal to the Strike Level (being [●]), the cash settlement amount will be the Reference Amount; or

- (b) the Final Level of the Index is less than the Strike Level, and

- (I) a Barrier Event has occurred, the cash settlement amount will be the Reference Amount; or

- (II) a Barrier Event has not occurred, the cash settlement amount will be calculated as follows:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Average Level}}{\text{Initial Level}} \right)$$

[Insert for "CSA 11"] [calculated as follows:

$$IP \times \left\{ GA - \left[P \times \text{Max} \left(0; \frac{(\text{Initial Level} \times v) - \text{Final Level}}{\text{Initial Level}} \right) \right] \right\}$$

Where:

["AAP" means the additional amount percentage, being [[●] per cent.]
[an amount that will be determined by the Calculation Agent in its sole

and absolute discretion on or around [●] and [is expected to be [●] but] shall not be [more than [●]] [and] [less than [●]].]

["**Aggregate N Lowest Performances**" means the aggregate of the [●] lowest Average Performances out of the Average Performances for the total number of underlying assets in the basket of underlying assets, as determined by the Calculation Agent. For the avoidance of doubt, two or more of such Average Performances may have the same value.]

["**AP**" means the additional percentage, being [[●] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and shall not be [more than [●]] [and] [less than [●]].]

["**Asset Performance**" means, in respect of an underlying asset, the *quotient* of (i) the official closing value of such underlying asset on the relevant date, *divided by* (ii) the Initial Value of such underlying asset;]

["**Asset Performance (Final)**" means the Asset Performance of the underlying asset on the Final Reference Date;]

["**Asset Performance (Worst Performing)**" means the Asset Performance of the Worst Performing Asset on the Final Reference Date;]

["**Average Performance**" means, in respect of an underlying asset, the *quotient* of (a) the arithmetic mean of the official closing value of such underlying asset in respect of each Reference Date, *divided by* (b) the Initial Value;]

["**Averaging Dates**" means [●], [●] [and] [●], each subject to adjustment in accordance with the conditions of the Securities;]

["**Barrier Call Event**" means [the official closing level of the Index on [any relevant day during the Observation Period] [the Valuation Date] is [greater than] [less than] [or equal to] the [Barrier Call Level] [Barrier Call Level (final)]] / [the level of the Index at any time during the regular trading hours of the relevant exchange on [any relevant day during the Observation Period] [the Valuation Date] is [greater than] [less than] [or equal to] the [Barrier Call Level] [Barrier Call Level (final)]];]

["**Barrier Call Level**" means [●] [equal to] [[●] per cent. of the Initial Level];]

["**Barrier Call Level (final)**" means [●] [equal to] [[●] per cent. of the Initial Level];]

["**Barrier Event**" means [the official closing level of the Index on [any relevant day during the Observation Period] [any of the following dates: [●], [●] and [●]] is [greater than] [less than] [or equal to] the Barrier Level] / [the level of the Index at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period is [greater than] [less than] [or equal to] the Barrier Level];]

["**Barrier Level**" means [●] [equal to] [[●] per cent. of the Initial Level];]

["**Barrier Level (final)**" means [●] [equal to] [●] per cent. of the Initial Level];]

["**Barrier Put Event**" means [the official closing level of the Index on [any relevant day during the Observation Period] [the Valuation Date] is [greater than] [less than] [or equal to] the [Barrier Level] [Barrier Level (final)]] / [the level of the Index at any time during the regular trading hours of the relevant exchange on [any relevant day during the

Observation Period] [the Valuation Date] is [greater than] [less than] [or equal to] the [Barrier Level] [Barrier Level (final)];]

["**Barrier Value**" [in respect of each underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below shall have the meaning set forth against such underlying asset in the column entitled "Barrier Value"] [in respect of each Share, shall have the meaning set forth against the relevant Share Company of such Share in the column entitled "Barrier Value" of the table set out at C.20 below] [means, in respect of each underlying asset, [●] per cent. of the Initial Value of such underlying asset];]

["**Base Currency**" means [●];]

["**BP**" means an amount calculated as follows:

$$BW \times \{ \text{Aggregate N Lowest Performances} + [v \times (1 + C)] \}$$

["**BP Average**" means the *sum* of the Weighted Average Performance of each underlying asset;]

["**BW**" means Basket Weight, being [●];]

["**C**" means [●];]

["**Cap**" means [●];]

["**Currency Price**" means an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged);]

["**Derived Exchange Rate**" means an amount equal to the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) on the relevant day, determined by the Calculation Agent as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day, in each case, in respect of such day (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards);]

["**Exchange Rate Strike Date**" means [●], or if such day is not an FX Business Day, the first FX Business Day after such day;]

["**Exchange Rate Valuation Date**" means the first FX Business Day following the FX Reference Date after all adjustments, if any, to such date pursuant to the conditions of the Securities, or if earlier the [second] [sixth] business day immediately preceding the Settlement Date;]

["**Final Average Level**" means the arithmetic mean of the official closing level of the Index on each Averaging Date;]

["**Final Average Value**" means the arithmetic mean of the official closing level or price of the relevant underlying asset in respect of each Reference Date;]

["**Final Level**" means the official closing level of the Index on the Valuation Date;]

["**Final Reference Date**" means [●], subject to adjustment in accordance with the conditions of the Securities;]

["**FX**" means the *quotient* of (i) the FX Final, *divided by* (ii) the FX

Initial;]

"FX Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];]

"FX Final" means the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Valuation Date;]

"FX Initial" means the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Strike Date;]

"FX Reference Date" means the Final Reference Date after all adjustments to such date, if any, pursuant to the conditions of the Securities, provided that if, as a result of such day not being a Scheduled Trading Day or the occurrence of a Disrupted Day for one or more [Assets] [Indices] [Shares] [Funds], the Final Reference Date for two or more [Assets] [Indices] [Shares] [Funds] falls on different dates, the Final Reference Date which is the latest to occur, as determined by the Calculation Agent;]

"GA" means [●];]

"Initial Level" means [[●]], being] [the official closing level of the Index on the Strike Date, subject to adjustment in accordance with the conditions of the Securities];]

"Initial Value" [in respect of each underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below, shall have the meaning set forth against such underlying asset in the column entitled "Initial Value"] [in respect of each Share, shall have the meaning set forth against the relevant Share Company of such Share in the column entitled "Initial Value" of the table set out at C.20 below] [means, in respect of each underlying asset, the official closing value of such underlying asset on the Strike Date];]

"IP" means [●], being the issue price of the series of Securities;]

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets;]

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets;]

"N_{AAPD}" means [●];]

"Observation Period" means the period commencing on [(and including)] /[(but excluding)] [●] (the **"Observation Period Start Date"**) and ending on [(and including)] /[(but excluding)] [●];]

"OTM" means [●];]

"P" means [[●]] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and [is expected to be [●] per cent. but] shall not be [more than [●] per cent.] [and] [less than [●] per cent.];]

"RA" means the Reference Amount, being [●];]

"Reference Currency" means [●];]

"Reference Currency/Base Currency Price" means an amount equal to the spot rate of exchange appearing on the relevant price source at the

relevant valuation time on the relevant day for the exchange of the Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged);]

["**Reference Currency/Subject Currency Price**" means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged);]

["**Reference Date**" means each of the following date(s): [●], [●] and [●], each subject to adjustment in accordance with the conditions of the Securities;]

["**Share**" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant company set out under the heading "Share Company".]

["**Strike Amount**" means [●] per cent.;

["**Strike Date**" means [●], subject to adjustment in accordance with the conditions of the Securities;]

["**Strike Level**" means, in respect of an Index, [●];]

["**Subject Currency**" means [●];]

["**T**" means [●];]

["**Trigger Level**" means, in respect of an Index, [●];]

["**v**" means [●];]

["**Valuation Date**" means [●], subject to adjustment in accordance with the conditions of the Securities;]

["**Weight**" [in respect of each underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below, shall have the meaning set forth against such underlying asset in the column entitled "Weight";]

["**Weighted Average Performance**" means, in respect of each underlying asset in the basket of underlying assets, an amount calculated in accordance with the following formula:

$$\text{Weight} \times \frac{\text{FinalAverageValue}}{\text{InitialValue}} \text{ [; and]}$$

["**Worst Performing Asset**" means, in respect of any relevant day, the underlying asset with the lowest Asset Performance on such day.]

[If LEPW Conditions are applicable, and:

[[Out-performance is applicable] calculated as follows:

$$\text{Max} \left\{ 0; \left[(\text{STMP} - \text{STXP}) + \left(\text{Rate} \times \text{IN} \times \frac{\text{EXP}}{365} \right) \right] \right\}$$

[[Out-performance is not applicable] calculated as follows:

$$\text{Max} [0; (\text{STMP} - \text{STXP})] \times \text{Multiplier}$$

Where:

["**Actual Exercise Date**" means the date on which the relevant Security is exercised or deemed to be exercised;]

["**Applicable Hedge Positions**" means, in respect of a Security, *[insert*

for Share Linked W&C Security] [the product of the number of units of the underlying assets equal to the number of outstanding Securities exercised on the same Actual Exercise Date as such Security, multiplied by the Ratio] [*insert for Index Linked W&C Security*] [the Related Hedging Arrangements];]

["**Exchange Rate**" means, in respect of any relevant day, [the prevailing rate of exchange for such day in the non-deliverable foreign exchange market for converting the Local Currency into the Settlement Currency (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged on a present value basis), as quoted by a leading dealer in such market] [an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] appearing on the relevant price source at or around the relevant valuation time on such day (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged)];]

["**EXP**" means, in respect of a Security, the total number of calendar days falling in the period commencing on, but excluding, the trade date (being [●]) and ending on, and including, the Actual Exercise Date for such Security;]

["**Final Execution Period**" means, in respect of a Security, the period from (and including) the Actual Exercise Date for such Security to (and including) the day on which a hypothetical broker dealer, acting in a commercially reasonable manner, could fully unwind the Applicable Hedge Positions;]

["**IN**" means the issue price of the series of the Securities;]

["**Local Currency**" means [●];]

"**Max**" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets;

["**Multiplier**" means [●] / [one];]

["**PRC Expenses and Taxes**" means

[if Settlement Price (Effective Price 2) is applicable] [certain amounts that are intended to replicate the expenses and taxes imposed by the taxing authorities of the People's Republic of China that would be incurred by a hypothetical broker dealer in connection with the exercise of the Securities, payments under such Securities or the Applicable Hedge Positions;]

[if Settlement Price (Share Closing Price) is applicable] [certain expenses and tax liabilities imposed by the taxing authorities of the **People's** Republic of China that are actually incurred by the Issuer or its affiliates or agents in connection with the exercise of the Securities, payments under the Securities or the Applicable Hedge Positions;]

["**Rate**" means [●] [zero];]

["**Ratio**" means [●];]

["**Related Hedging Arrangements**" means any positions or contracts in securities, options, futures, derivatives, foreign exchange or other instruments or arrangements (howsoever described) that the Calculation Agent determines, in its sole discretion, a hypothetical broker dealer could purchase, sell, maintain or enter into with or through any person in order to hedge the Securities;]

"Settlement Currency" means [●];

"STMP" means the Settlement Price being, in respect of a Security,

[if "Settlement Price (Effective Price 1)" is applicable] the price per underlying asset (converted into the Settlement Currency using the Exchange Rate) that would be realised by a hypothetical broker dealer, less any applicable expenses and taxes in terminating or liquidating the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period for such Security;]

[if "Settlement Price (Effective Price 2)" is applicable] the price per underlying asset (converted into the Settlement Currency using the Exchange Rate) that would be realised by a hypothetical broker dealer, less any applicable PRC Expenses and Taxes in terminating or liquidating the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period for such Security;]

[if "Settlement Price (Index Closing Level)" is applicable] the official closing level of the underlying asset on the Valuation Date less any applicable expenses and taxes;]

[if "Settlement Price (Share Closing Price)" is applicable] the official closing price (converted into the Settlement Currency using the Exchange Rate) of the underlying asset on the exchange on the Valuation Date, less any applicable PRC Expenses and Taxes [and converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner)];]

"STXP" means the Strike Price, being [●]; [and]

["Valuation Date" means the Actual Exercise Date in respect of the relevant Security.]]

[Insert if Target Volatility Conditions are applicable]

- **Securities linked to the underlying asset(s):** The amount payable on the Securities depends on the performance of a volatility controlled strategy (the "Strategy") linked to the net asset value of [the fund interests of [●] (the "Fund Interests" and the "Fund")) / [a basket (the "Basket of Funds") of the fund interests of [●], [●] [and] [●] (the "Fund Interests" and the "Funds"))], the Rate and the [Currency Price] [Derived Exchange Rate]. **Holders of the Securities shall have no rights in relation to the Strategy or the underlying Fund Interests.**
- **Settlement:** The settlement amount for each Security payable on the settlement date will be calculated as follows:

$$RA \times P \times FX \times \text{Max} \left[\left(\frac{BSK_{\text{Final}}}{BSK_0} - 1 \right); 0 \right]$$

[Include if Fixed Settlement Amount is applicable] [A fixed settlement amount of [●] shall also be payable on the settlement date for each Security.]

The Basket Value for any relevant day is as described in "Description of the Basket Value" below.]

[If "Target Volatility Linked Additional Amounts" is applicable]

- **Additional Amount:** If the Calculation Agent determines that:
 - (a) the Volatility Controlled Basket Performance for the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date is less than zero, no Additional Amount

- shall be payable on such Additional Amount Payment Date; or
- (b) the Volatility Controlled Basket Performance in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date is greater than or equal to zero, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated as follows:

$$RA \times AAP(TV) \times FX(AA)]$$

Where:

"Additional Amount Payment Date" means each of the following dates: [●], [●] [and] [●];]

"Additional Amount Reference Date" means each of the following dates: [●], [●] [and] [●], each subject to adjustment in accordance with the conditions of the Securities;]

"AAP (TV)" means [[●] per cent.] [a percentage amount to be determined by the Calculation Agent in its sole and absolute discretion on or about the Strike Date and [is expected to be [●] per cent. but] shall not be [more than [●] per cent.] [and] [less than [●] per cent.];]

"BSK_{Final}" means the arithmetic mean of the Basket Value on each of the Fund Basket Averaging Dates;

"BSK₀" means [●];

"Currency Price" means an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of [●] (the **"Subject Currency"**) into [●] (the **"Base Currency"**) (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged);]

"Derived Exchange Rate" means an amount equal to the spot rate of exchange for the exchange of [●] (the **"Subject Currency"**) into [●] (the **"Base Currency"**) (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) on the relevant day, calculated by the Calculation Agent as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day, in each case, in respect of such day (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards);]

"Exchange Rate Additional Amount Valuation Date" means the first FX Business Day following the relevant Additional Amount Reference Date;]

"Exchange Rate Strike Date" means [the Strike Date] [●], or, if not an FX Business Day, the first FX Business Day after such day;

"Exchange Rate Valuation Date" means the FX Business Day immediately following the final Fund Basket Averaging Date, after all adjustments, if any, to such date pursuant to the conditions of the Securities;

"Fund Basket Averaging Dates" means each of the following dates: [●], [●] and [●], each subject to adjustment in accordance with the conditions of the Securities;

"FX" means the quotient of (i) the [Currency Price] [Derived Exchange Rate] on the Exchange Rate Valuation Date, divided by (ii) the

[Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Strike Date;

"**FX (AA)**" means the quotient of (i) the [Currency Price] [Derived Exchange Rate] on the Exchange Rate Additional Amount Valuation Date immediately preceding the relevant Additional Amount Payment Date, divided by (ii) the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Strike Date;]

"**FX Business Day** " means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];

"**Max**" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets;

"**P**" means [●] [a percentage amount to be determined by the Calculation Agent in its sole and absolute discretion on or about the Strike Date and [is expected to be [●] per cent. but] shall not be [more than [●] per cent.] [and] [less than [●] per cent.];

"**RA**" means the Reference Amount, being [●];]

"**Rate**" means [a rate equal to the Reference Rate for the relevant day which appears on [Bloomberg/Reuters page:] [●] at or around [●] [a.m./p.m., [●] time,] on [such relevant day] [[●] Rate Business Days prior to such relevant day]] [zero];

"**Rate Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];]

"**Reference Currency/Base Currency Price**" means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Base Currency into [●] (the "**Reference Currency**") (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged);]

"**Reference Currency/Subject Currency Price**" means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged);]

"**Reference Rate**" means the [overnight] [[●]-month] [London inter-bank offered rate for deposits in Sterling] [Hong Kong inter-bank offered rate for deposits in Hong Kong dollars] [Euro-zone inter-bank offered rate for deposits in euro] [Stockholm inter-bank offered rate for deposits in Swedish Krona] [Singapore inter-bank offered rate for deposits in Singapore dollars] [Tokyo inter-bank offered rate for deposits in Japanese Yen] [London inter-bank offered rate for deposits in U.S. dollars];

"**Strike Date**" means [●]; and][.]

"**Volatility Controlled Basket Performance**" means, in respect of an Additional Amount Reference Date, an amount equal to the Basket

Value on the Valuation Date falling on such Additional Amount Reference Date, minus the Initial Basket Value.]

- **Description of the Basket Value:** The "**Basket Value**" in respect of any relevant date is an amount calculated by the Calculation Agent as the level of the Strategy on such date, which is designed to generate a "synthetic" or "virtual" long exposure to the net asset value of the Fund Interests and a "synthetic" or "virtual" cash deposit accruing interest at the Rate (the "**Cash Component**"). The "**Initial Basket Value**" will be [●].

The proportion of the "synthetic" or "virtual" investment that is notionally invested in the Fund Interests (the "**Allocation**") in respect of the first valuation date following the Strike Date is the Target Allocation on the Strike Date. The Allocation in respect of each subsequent valuation date is the Target Allocation in respect of the immediately preceding valuation date.

The Target Allocation in respect of any relevant day is calculated by taking the value given by the target volatility of [●] per cent. (the "**Target Volatility**") as a proportion of the historic price volatility of the Fund Interests of the [Fund] [Funds comprising the Basket of Funds] over such day and the preceding [●] days (the "**Realised Volatility**"), provided that the Target Allocation shall not be less than [zero] [●] per cent. (the "**Minimum Target Allocation**") and shall not be greater than [●] per cent. (the "**Maximum Target Allocation**"). The Realised Volatility in respect of any relevant day is determined by reference to the net asset value of the Fund Interests of the [Fund] [Funds comprising the Basket of Funds] over such day and [●] days preceding such day on which [the Fund] [each of the Funds comprising the Basket of Funds] is scheduled to allow a redemption of the Fund Interests from such Fund.

In times of rising volatility of the Fund Interests of [the Fund] [the Funds comprised in the Basket of Funds], the Target Allocation will fall and a lower portion of the notional investment will be synthetically invested in the Fund Interests and a larger portion will be synthetically invested in the Cash Component.

Conversely, in times of decreasing volatility of the Fund Interests of [the Fund] [the Funds comprised in the Basket of Funds], the Target Allocation will rise and a higher portion of the notional investment will be synthetically invested in the Fund Interests and a lower portion will be synthetically invested in the Cash Component.

The Basket Value will also be reduced by deductions which synthetically *replicate* an annual fee of [●] per cent. for transaction costs that would be incurred by an investor if it were to enter into direct investments in the Fund Interests from time to time.]

- [Insert for Notes and if "Automatic Early Redemption" is applicable to a Series of Notes] [**Redemption upon an automatic early redemption event:** If in respect of each Automatic Early Redemption Reference Date and [insert if underlying asset is a basket of Shares] [the official closing price of each Share in the basket of Shares is greater than or equal to the relevant Automatic Early Redemption Knock-Out Price for such Share] [insert if underlying asset is a single Index or Share] [the official closing level] [the official closing price] of the [Index] [Share] is greater than or equal to the relevant Automatic Early Redemption Trigger (such event being an "**Automatic Early Redemption Event**"), all the Securities will be redeemed at the Automatic Early Redemption Amount, payable on the Automatic Early Redemption Date following such Automatic Early Redemption Reference Date.

Where:

"Automatic Early Redemption Amount" means [●] [[●] per cent. of Calculation Amount].

"Automatic Early Redemption Date" means

[If "Change of Interest Basis" is not applicable and Interest Basis is Fixed Rate only] [[the/each] Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the maturity date]

[If "Change of Interest Basis" is not applicable and Interest Basis is Share Linked only or Index Linked only] [each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date]

[If "Change of Interest Basis" is applicable] [[the/each] Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date [and the [Fixed/Underlying Asset Linked] Interest Payment Date scheduled to fall on [●]]

[[●] business days after each Automatic Early Redemption Reference Date].

"Automatic Early Redemption Knock-Out Price" means [in respect of the Share of:

- (i) *[insert Share Company]*, [●];
- (ii) *[insert Share Company]*, [●][:]; *[repeat as appropriate for the number of Shares].*

[insert if Automatic Early Redemption Knock-Out Price is different for each reference date] [in respect of [the][each] Share and each automatic early redemption reference date, such percentage of the Initial Price of such Share specified in the column entitled "Automatic Early Redemption Knock-Out Price" of the table below in the row corresponding to the date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" on which such automatic early redemption reference date is scheduled to fall.]

[Scheduled Automatic Early Redemption Reference Date]	[Automatic Early Redemption Knock-Out Price] (expressed as a percentage of Initial Price of the relevant Share)		
	[Share Company]	[Share Company]	[Share Company]
[●]	[●]%	[●]%	[●]%
[●]	[●]%	[●]%	[●]%

"Automatic Early Redemption Reference Date" means

[Insert if "Change of Interest Basis" is not applicable and Fixed Rate only] [the [tenth] [●] [common] scheduled trading day[s] prior to [the/each] Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the maturity date]

[Insert if "Change of Interest Basis" is not applicable and Share Linked only or Index Linked only] [the [tenth] [●] [common] scheduled trading day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date]

[insert if "Change of Interest Basis" is applicable] [the [tenth] [●] [common] scheduled trading day prior to [the/each] Fixed Interest Payment Date and [tenth] [●] [common] scheduled trading day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date [and the [Fixed/Underlying Asset Linked] Interest Payment Date scheduled to fall on [●]]

[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date] [each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the table above]

[insert if table is not used to list specific Scheduled Automatic Early Redemption Reference Date(s)] [●],

and each subject to adjustment in accordance with the conditions of the Securities.

"Automatic Early Redemption Trigger" means, in respect of [the][each] [Index] [Share], [●], being [●] per cent. of the [Initial Price][Initial Level] of such [Index][Share].

"Calculation Amount" means [●].

"Index" means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below.]

"Initial Level" means [●] [, being] [the official closing level of an Index on the Strike Date, subject to adjustment in accordance with the conditions of the Securities].

"Initial Price" means [●] [, being] [the official closing price of a Share on the Strike Date, subject to adjustment in accordance with the conditions of the Securities].]

"Share" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant company set out under the heading "Share Company" in the table [above] [at C.20 below.].] *[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date]*].

"Share Company" means each of: [●], [●] [and] [●].

"Strike Date" means [●], subject to adjustment in accordance with the conditions of the Securities.]

- *[Insert for Notes and if interest is payable]* **[Interest]**

The Securities [bear interest at a fixed rate] [and] [have an interest amount or rate determined or calculated by reference to [an Index] [a/a basket of] Share[s] [(including GDRs and/or ADRs)]]].

[If Interest Basis is "Fixed Rate" and "Fixed Coupon Amount" is applicable] For each Note and [the/each] Fixed Interest Payment Date, the Fixed Coupon Amount shall be payable for [the/each] Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall *[insert if any Broken Amount is payable]* [and the Broken Amount shall be payable for any period other than the Fixed Interest Period].

[If Interest Basis is "Fixed Rate" and no "Fixed Coupon Amount" is applicable]

[For each Note and [the/each] Fixed Interest Payment Date, the Calculated Interest Amount shall be payable for each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment

Date on which such Fixed Interest Payment Date is scheduled to fall.]

The interest payable on the Securities shall be calculated in respect of any interest period by applying the Rate of Interest to

[Insert in the case of Fixed Rate Notes which are represented by a Global Note] [the aggregate outstanding nominal amount of the Securities]

[Insert in the case of Fixed Rate Notes in definitive form] [the Calculation Amount]

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

Where:

"Broken Amount" means, for the Fixed Interest Payment Date scheduled to fall on [●], [●] per Calculation Amount.]

"Calculated Interest Amount" means, for [the/each] Fixed Interest Payment Date, the product of the Rate of Interest, multiplied by the Calculation Amount, and further multiplied by the number of days in the Fixed Interest Period ending on (but excluding) the relevant Scheduled Fixed Interest Payment Date, divided by the Denominator.]

"Calculation Amount" means [●].

"Denominator" means [●].]

"Day Count Fraction" means [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)].]

"Fixed Coupon Amount" means, for [the/each] Fixed Interest Payment Date, [●] per Calculation Amount.]

"Fixed Interest Payment Date" means [the/each] Scheduled Fixed Interest Payment Date [and [each] adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention].

"Fixed Interest Period" means [(i)] the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date [and (ii) each successive period commencing on, and including, a Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date].

"Rate of Interest" means [●] per cent. per annum.]

"Scheduled Fixed Interest Payment Date[s]" means [●], [●], [●].

"Specified Currency" means [●].

[If "Change of Interest Basis" is applicable] The rate of interest applicable to each Interest Period which ends on (but excludes) the Scheduled Fixed Interest Payment Date on which [an/the] Interest Basis A Payment Date is scheduled to fall shall be determined in accordance with the relevant provisions for Interest Basis A, and the rate of interest applicable to each Interest Period which ends on (but excludes) the Scheduled Interest Payment Date on which an Interest Basis B Payment Date is scheduled to fall shall be determined in accordance with the relevant provisions for Interest Basis B.

Where:

"Interest Basis A" means Fixed Rate.

"Interest Basis A Payment Date" means [the/each] Fixed Interest Payment Date falling in the period commencing on, but excluding, the Interest Commencement Date and ending on, and including, the Underlying Asset Linked Interest Commencement Date.

"Interest Basis B" means [Index Linked] Share Linked [GDR/ADR Linked].

"Interest Basis B Payment Date" means each Underlying Asset Linked Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date.

[If "Interest 1" is applicable] In respect of each Underlying Asset **Linked** Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the official closing level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●]; or
- (ii) if the Calculation Agent determines the official closing level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●].

[If "Interest 2" is applicable] In respect of each Underlying Asset Linked Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the official closing price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●]; or
- (ii) if the Calculation Agent determines the official closing price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●].

[If "Interest 3" is applicable] In respect of each Underlying Asset Linked Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date falling on the date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the official closing price of each Share in the basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike for such Share, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●]; or
- (ii) if the Calculation Agent determines the official closing price of any Share in the basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike for such Share, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount shall be [●].

Where:

"Calculation Amount" means [●].

"Coupon Strike" means in respect of

[the Index, [●] [equal to [●] per cent. of the Initial Level].]

[the Share of:

- (i) [insert Share Company], [●] [equal to [●] per cent. of the Initial Price];
- (ii) [insert Share Company], [●] [equal to [●] per cent. of the Initial Price][;] [repeat as appropriate for the number of Shares].]

"Interest Period" means

[insert if Interest Basis is Fixed Rate] [[the/each] Fixed Interest Period] [and]

[insert if Interest Basis is "Index Linked"/"Share Linked" and/or "GDR/ADR Linked"] [the period commencing on, and including, [●] (the "Underlying Asset Linked Interest Commencement Date") and ending on, but excluding, the Scheduled Interest Payment Date corresponding to the first Underlying Asset Linked Interest Payment Date, and each successive period commencing on, and including, a Scheduled Interest Payment Date and ending on, but excluding, the next following Scheduled Interest Payment Date].

"Interest Valuation Date" means the [tenth] [insert other number] [common] scheduled trading day prior to each Underlying Asset Linked Interest Payment Date, and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Securities.

"Scheduled Interest Payment Date" means [each of] [●], [●] [and] [●].

"Specified Rate of Interest" means [●], [●], [●].

"Underlying Asset Linked Interest Payment Date" means each Scheduled Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date[, and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention] provided that the final Underlying Asset Linked Interest Payment Date shall be the Underlying Asset Linked Interest Payment Date immediately following the Interest Valuation Date (if any) on which an Automatic Early Redemption Event has occurred.

- **Redemption on scheduled maturity date:** If the Securities have not already been redeemed, the Securities will be redeemed as follows:

[If "FRA 1" is applicable] The Securities will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred in respect of the Index, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has occurred in respect of the Index, each Note of the Calculation Amount will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) on the Maturity Delivery Date.

[If "FRA 2" is applicable] Each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be an amount determined in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula [(and such amount rounded to the [nearest two decimal places] [nearest whole unit] in the Specified Currency, [0.005] [half a unit] being rounded upwards):

$$CA \times \text{Min} \left[\text{Maximum FRA}; \text{Max} \left(\text{Minimum FRA}; \frac{\text{Final Reference Level}}{\text{Initial Level}} \right) \right]$$

[If "FRA 3" is applicable] The Securities will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event (closing) has occurred to any Share in the basket of Shares, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event (closing) has occurred to one or more Shares in the basket of Shares, each Note of the Calculation Amount will be redeemed by procuring delivery of the Entitlement on the Maturity Delivery Date (subject to adjustment in accordance with the conditions of the Securities relating to physical delivery) and payment of the Cash Portion (which may be zero) to the relevant Holder on the maturity date. No Residual Share Amount will be delivered.

[If "FRA 4" is applicable] The Securities will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred to the Share, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has

occurred to the Share, and

- (A) the Final Reference Price of the Share is greater than or equal to the Strike Price, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be an amount equal to the Calculation Amount; or
- (B) the Final Reference Price of the Share is less than the Strike Price, each Note of the Calculation Amount will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) to the relevant Holder on the Maturity Delivery Date. No Residual Share Amount will be delivered.

Where:

["**Barrier Event**" means [Barrier Event (closing)] [Barrier Event (intraday)].]

["**Barrier Event (closing)**" means [the official closing [level] [price] of the [Index] [Share] [on any relevant day during the Observation Period] [on any of the following dates: [●], [●] and [●]] is [greater than] [less than] [or equal to] the Barrier Level].]

["**Barrier Event (intraday)**" means [the [level] [price] of the [Index] [Share] at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period is [greater than] [less than] [or equal to] the Barrier Level].]

["**Barrier Level**" means [●].]

["**Base Currency**" means [●].]

"**CA**" means the Calculation Amount.

["**Cash Portion**" means, in respect of the nominal amount of each Note of the Calculation Amount,

[if "*FRA 1*" is applicable] [an amount determined by the Calculation Agent in accordance with the following formula:

$$FRCA - (\text{Entitlement} \times \text{ETF Final Price})$$

[if "*FRA 3*" is applicable] [an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{FRP}_{\text{WPS}}$$

[if "*FRA 4*" is applicable] [an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{FRP}$$

"**ETF**" means an Exchange Traded Fund (being [●]).

"**ETF Final Price**" means the Fund Share Closing Price of the fund shares of the ETF on the ETF Valuation Date, as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Securities.

"**ETF Valuation Date**" means the Final Index Valuation Date (following all adjustments, if any, pursuant to the conditions of the Securities), and if such day is not a scheduled trading day or is a disrupted day in respect of the fund share, subject to further adjustment in accordance with the additional terms and conditions for fund linked Securities.

["**Entitlement**" means, in respect of each Note of the Calculation Amount, a quantity of the Relevant Asset (including any evidentiary

documents thereof) equal to

[if "FRA 1" is applicable] [the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the Fixed Fund Share Amount.]

[if "FRA 3"] [the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.]

[if "FRA 4" is applicable] [insert number of Shares] [the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.]]

"Exchange Rate (Fixed Share Amount)" means the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] in respect of the Final Share Basket Valuation Date (after all adjustments, if any, to the Final Share Basket Valuation Date pursuant to the conditions of the Securities), provided that if the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] is not published on the relevant price source at the relevant valuation time on the relevant day, the Calculation Agent shall determine the value of such rate of exchange, taking into consideration all available information as it in good faith deems relevant.

"Final Index Valuation Date" means the [tenth] [insert other number] scheduled trading day prior to the maturity date, and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Securities.

"Final Reference Level" means, in respect of an Index, the official closing level of such Index in respect of the Final Index Valuation Date, as determined by the Calculation Agent.

"Final Share Basket Valuation Date" means the [tenth] [insert other number] common scheduled trading day prior to the maturity date, and if such day is a disrupted day for one or more Shares in the basket of Shares, subject to adjustment in accordance with the conditions of the Securities.

"Final Share Valuation Date" means the [tenth] [insert other number] scheduled trading day prior to the maturity date, and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Securities.

["Fixed Fund Share Amount" means a number of fund shares of the ETF calculated by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{FRCA}}{\text{ETF Final Price}}]$$

["Fixed Share Amount" means

[if "FRA 3" is applicable and "FX Conversion" is not applicable] a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{CA}}{\text{Strike Price}_{\text{WPS}}}$$

[if "FRA 3" or "FRA 4" is applicable and "FX Conversion" is applicable] a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{CA \times \text{Exchange Rate (Fixed Share Amount)}}{\text{Strike Price}_{\text{WPS}}}$$

[if "FRA 4" is applicable] a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{CA}{\text{Strike Price}}$$

["**FRCA**"] means in respect of an Index, an amount determined by the Calculation Agent in accordance with the following formula:

$$CA \times \frac{\text{Final Reference Level}}{\text{Initial Level}}$$

"**FRP**" means the "Final Reference Price", being in respect of a Share, the official closing price of such Share on the Final Share Valuation Date, as determined by the Calculation Agent.

"**FRP_{WPS}**" means the official closing price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"**Fund Share Closing Price**" means the official closing price of a fund share of an ETF quoted on the relevant exchange as determined by the Calculation Agent on the relevant date.

["**Index**"] means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below.]

["**Initial Level**"] means [●], [being] [the official closing level of an Index on the Strike Date, subject to adjustment in accordance with the conditions of the Securities].]

["**Initial Price**"] means [●] [, being] [the official closing price of a Share on the Strike Date, subject to adjustment in accordance with the conditions of the Securities].]

"**Maturity Delivery Date**" means the maturity date of the Securities subject to adjustment in accordance with the conditions of the Securities.

["**Max**"] followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets;]

["**Maximum FRA**"] means [●] per cent.]

["**Min**"] followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.]

["**Minimum FRA**"] means [●] per cent.]

["**Observation Period**"] means the period commencing on [(and including)] /[(but excluding)] [●] and ending on [(and including)] /[(but excluding)] [●].]

"**Relevant Asset**" means the [fund shares of the ETF] [shares of the Worst Performing Share on the Final Share Basket Valuation Date] [Share].

["**Residual Share Amount**"] means [insert amount] [an amount determined by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

Fixed Share Amount – Entitlement]

"Round Lot" means a number determined by the Calculation Agent equal to the smallest number of shares of the Relevant Asset that can be traded on the exchange for such Relevant Asset, as specified by the relevant exchange.

"Share" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant company set out under the heading "Share Company" in the table [above] [at C.20 below].] *[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date]*.

"Share Company" means each of: [●], [●] [and] [●].]

"Share Performance" means in respect of a Share and any relevant day, an amount equal to (a) the official closing price of such Share on such day, divided by (b) the Initial Price of such Share.]

"Specified Currency" means [●].]

"Strike Date" means [●], subject to adjustment in accordance with the conditions of the Securities.]

"Strike Price" means in respect of a Share, [●].]

"Strike Price_{WPS}" means the Strike Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.]

"Subject Currency" means [●].]

"Worst Performing Share" means, in respect of a basket of Shares and any relevant day, the Share with the lowest Share Performance on such day, as determined by the Calculation Agent (provided that if two or more Shares have the same lowest Share Performance on such day, the Calculation Agent shall determine which Share shall be the Worst Performing Share in its sole and absolute discretion, and such Share shall be the Worst Performing Share).]

- **Ranking:** The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Issuer.
- **Limitations to rights:** *[Insert if Cash Settled W&C Securities or Cash Settled Notes]* [Investors in the Securities do not have any rights in respect of [the/any] underlying asset and shall have no right to call for [the/any] underlying asset to be delivered to them.] The conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. See also "[Unscheduled early redemption] [Unscheduled early exercise and cancellation]" above.

C.9 Interest and redemption provisions:

[Insert C.9 if Annex V or Annex XIII is applicable] [Please refer to C.8 above.]

[Not applicable: no interest is payable on the Securities].

- **[Interest**

The Securities [bear interest at a fixed rate] [floating rate] [and] [have an interest amount or rate determined or calculated by reference to [an

Index] [a/a basket of] Share[s] [(including GDRs and/or ADRs)].

[If Interest Basis is "Fixed Rate" and "Fixed Coupon Amount" is applicable] For each Note and each Fixed Interest Payment Date, the Fixed Coupon Amount shall be payable for each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall *[insert if any Broken Amount is payable]* [and the Broken Amount shall be payable for any period other than the Fixed Interest Period].

[If Interest Basis is "Fixed Rate" and no "Fixed Coupon Amount" is applicable]

The interest payable on the Securities shall be calculated in respect of any interest period by applying the Rate of Interest to

[insert in the case of Fixed Rate Notes which are represented by a Global Note] [the aggregate outstanding nominal amount of the Securities]

[insert in the case of Fixed Rate Notes in definitive form] [the Calculation Amount]

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

Where:

"Broken Amount" means, for the Fixed Interest Payment Date scheduled to fall on [●], [●] per Calculation Amount.]

"Calculation Amount" means [●].]

"Day Count Fraction" means [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)].]

"Fixed Coupon Amount" means, for [the/each] Fixed Interest Payment Date, [●] per Calculation Amount.]

"Fixed Interest Payment Date" means each Scheduled Fixed Interest Payment Date [and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention].

"Fixed Interest Period" means [(i)] the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date [and (ii) each successive period commencing on, and including, a Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date].

"Interest Commencement Date" means [●].

"Scheduled Fixed Interest Payment Date[s]" means [●], [●] [and] [●].

"Specified Currency" means [●].]

[If Interest Basis is Floating Rate] Each Note bears interest at the rate of interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear in respect of each Interest Period on

[if Interest Period is "Unadjusted"] [the Interest Payment Date

scheduled to fall on the Scheduled Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period)]

[*if Interest Period is "Adjusted"*] [the Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period)].

The rate of interest for each Interest Period will be the

[*If ISDA Determination applies*] [ISDA Rate [[plus] [minus] the Margin].]

[*If Screen Rate Determination applies*]

[(i) the offered quotation; or (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate on the applicable Interest Determination Date [[plus] [minus] the Margin.]]

Where:

"**Designated Maturity**" means [●] month[s].]

"**Floating Rate Option**" means [*insert relevant Floating Rate Option from 2006 ISDA Definitions*].

"**Interest Determination Date**" means [●], [●].

"**Interest Payment Date**" means [●] [and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention].

"**Interest Period**" means the period commencing on, and including, an Interest Payment Date (or [●] (the "**Interest Commencement Date**")) and ending on, but excluding, the next (or first) Interest Payment Date), and [*if Interest Period for Floating Rate Notes is "Adjusted"*] [each Interest Period shall commence on or end on, as the case may be, the relevant Interest Payment Date after all applicable adjustments to such Interest Payment Date pursuant to the conditions of the Securities] [*if Interest Period for Floating Rate Notes is "Unadjusted"*] [each Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding all applicable adjustments to such Interest Payment Date pursuant to the conditions of the Securities].

"**ISDA Rate**" means a rate equal to the Floating Rate Option with a Designated Maturity in respect of the Reset Date.

"**Margin**" means [●].

"**Reference Rate**" means the [[●]-month] [London inter-bank offered rate for deposits in Sterling] [Hong Kong inter-bank offered rate for deposits in Hong Kong dollars] [Euro-zone inter-bank offered rate for deposits in euro] [Stockholm inter-bank offered rate for deposits in Swedish Krona] [Singapore inter-bank offered rate for deposits in Singapore dollars] [Tokyo inter-bank offered rate for deposits in Japanese Yen] [London inter-bank offered rate for deposits in U.S. dollars].

"**Reset Date**" means

[*if Floating Rate Option is based on LIBOR or EURIBOR*] [the first day of the relevant Interest Period]

[*if Floating Rate Option is not based on LIBOR or EURIBOR*] [●].

"**Scheduled Interest Payment Date**" means [each of] [●], [●] [and] [●]

		<p>].</p> <p>[if any Maximum or Minimum Rate of Interest is applicable] [If rate of interest in respect of an Interest Period determined in accordance with the above provisions is [less than the Minimum Rate of Interest] [greater than the Maximum Rate of Interest], the Rate of Interest for such Interest Period shall be such [Minimum Rate of Interest] [Maximum Rate of Interest].]</p> <ul style="list-style-type: none"> • Redemption <p>[The maturity date for the Securities shall be [●].]</p> <p>[Unless previously redeemed or purchase and cancelled, each Note will be redeemed by the Issuer on the maturity date at [●] per Calculation Amount.]</p> <ul style="list-style-type: none"> • Indication of Yield <p>[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</p> <p>[The yield is [●].]</p>
C.10	Derivative component in interest payments:	<p>[Insert C.10 if Annex V is applicable] [Please refer to C.9 above.]</p> <p>[Not applicable: there are no derivative components in interest payments.]</p> <p>[Not applicable: no interest is payable on the Securities].</p>
C.11	Admission to trading	<p>[Admitted to trading on the Regulated Market of [●] (which is regulated by Directive 2004/39/EC on Markets in Financial Instruments).] / [The Securities are not listed.] [Insert if Annex V or Annex XII is applicable]</p>
C.15	Effect of underlying instrument on value of investment	<p>The amount payable on the Securities will depend on the value of the underlying asset[s].</p> <p>[Insert for W&C Securities and if "Mandatory Early Exercise" is applicable] [If the Securities are exercised early following a Mandatory Early Exercise Event, the Mandatory Early Exercise Cash Settlement Amount payable on the Mandatory Early Exercise Cash Settlement Date will be determined in accordance with C.8 of this Summary.]</p> <p>[Insert for W&C Securities] [If the Securities are not exercised and cancelled prior to the settlement date, then the cash settlement amount payable on the settlement date will be determined in accordance with C.8 of this Summary.]</p> <p>[Insert for Notes and if "Automatic Early Redemption" is applicable] [If the Securities are redeemed early following an Automatic Early Redemption Event, the Automatic Early Redemption Amount payable on the Automatic Early Redemption Date will be determined in accordance with C.8 of this Summary.]</p> <p>[Insert for Notes] [If the Securities are not previously redeemed or purchased and cancelled prior to the maturity date, then Securities will be redeemed in accordance with C.8 of this Summary.] [Insert if Annex XII is applicable]</p>
C.16	Settlement date/maturity date	<p>The [settlement] [maturity] date of the series of Securities will be [●], subject to adjustment in accordance with the conditions of the Securities. [Insert if Annex XII is applicable]</p>
C.17	Settlement	<p>Settlement of the series of Securities shall take place through [Euroclear Bank SA/NV] [and] [Clearstream Banking, société anonyme] [Clearstream Banking AG, Frankfurt am Main] [Euroclear France S.A.] [DTC] [Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23]</p>

<p>C.18 Return on the Securities</p>	<p>Stockholm, Sweden] [Euroclear Finland, Ltd] [Euroclear UK & Ireland Limited]. <i>[Insert if Annex XII is applicable]</i></p> <p><i>[If the Securities are W&C Securities and "Mandatory Early Exercise" is applicable]</i> [If the Securities are exercised and cancelled early following a Mandatory Early Exercise Event, the Mandatory Early Exercise Cash Settlement Amount payable on the Mandatory Early Exercise Cash Settlement Date will be determined in accordance with C.8 of this Summary.]</p> <p><i>[If the Securities are W&C Securities]</i> [If American-style Securities are exercised and cancelled prior to the expiration date of such Securities, then the cash settlement amount payable on the settlement date will be determined in accordance with C.8 of this Summary.]</p> <p><i>[If the Securities are W&C Securities]</i> [If the Securities are not exercised and cancelled prior to the scheduled settlement date, then the cash settlement amount payable on the scheduled settlement date will be determined in accordance with C.8 of this Summary.]</p> <p><i>[If the Securities are Notes and "Automatic Early Redemption" is applicable]</i> [If the Securities are redeemed early following an Automatic Early Redemption Event, the Automatic Early Redemption Amount payable on the Automatic Early Redemption Date will be determined in accordance with C.8 of this Summary.]</p> <p><i>[If the Securities are Notes]</i> [If the Securities are not previously redeemed or purchased and cancelled prior to the scheduled maturity date, then Securities will be redeemed in accordance with C.8 of this Summary.]</p> <p><i>[Insert if Annex XII is applicable]</i></p>
<p>C.19 Exercise price/final reference price</p>	<p><i>[Insert if "CSA 1", "CSA 2" or "CSA 3" is applicable]</i> [The official closing value of the [Worst Performing Asset/underlying asset] will be determined on the Final Reference Date.]</p> <p><i>[Insert if "CSA 4", "CSA 5", "CSA 9" or "CSA 11" is applicable]</i> [The Final Level of the Index will be determined on the Valuation Date.]</p> <p><i>[Insert if "CSA 10" is applicable]</i> [The Final Average Level of the Index will be determined on the final Averaging Date.]</p> <p><i>[Insert if "CSA 6" is applicable]</i> [The Final Average Value of an underlying asset will be determined on the final Reference Date.]</p> <p><i>[Insert if "CSA 7" or "CSA8" is applicable]</i> [The Average Performance of an underlying asset will be determined on the final Reference Date.]</p> <p><i>[Insert if Target Volatility Conditions are applicable]</i> [BSK_{Final} will be determined on the final Fund Basket Averaging Date.]</p> <p><i>[Insert if LEPW Conditions are applicable]</i> [The Settlement Price will be determined on [the Actual Exercise Date or during the Final Execution Period for the relevant Security] [Valuation Date] [Actual Exercise Date].]</p> <p><i>[insert for Notes]</i> [The official closing value of the underlying asset[s] will be determined on the [Final Share Basket Valuation Date] [Final Share Valuation Date] [Final Index Valuation Date].]</p> <p>See C.8 above.</p> <p><i>[Insert if Annex XII is applicable]</i></p>
<p>C.20 The underlying asset[s]</p>	<p>The underlying asset[s] of each series of the Securities will be the [[ordinary] share(s) [or] [depository receipts] of [the/each] Share Company set out in the table below] ([each, a] [the] "Share" [and, in the case of depository receipts, ([each, [a/an]] [the] "[GDR(s)/ADR(s)")]") / [the/each] [index] set out in the table below] ([each, an/the] "Index") / [shares of</p>

		[[the/each] exchange traded fund(s)] ([each, an] [the] "ETF" and each share thereof, a "Fund Share")) / [fund interests of [the/each] fund set out in the table below] ([each, a][the] "Fund"))].					
		[Underlying Asset] / [Share Company]	ISIN of [Share] [Fund Share] [Fund]	Bloomberg code	[Initial Value]	[Barrier Value]	[Weight]
		[insert name(s) of relevant share company(ies)/ names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●]	[●] [Official closing value of the underlying asset on the Strike Date]	[●] [equal to] [[●] per cent. of the Initial Value]	[●]
		[insert name(s) of relevant share company(ies)/ names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●]	[●] [Official closing value of the underlying asset on the Strike Date]	[●] [equal to] [[●] per cent. of the Initial Value]	[●]
		[Insert if Annex XII is applicable]					
C.21	Market where the Securities will be traded	The Securities will be admitted to trading on [●]. [Insert if Annex XIII is applicable]					
SECTION D – RISKS							
D.2	Key risks that are specific to the Issuer	<p>The Issuers, BAC and BAC's subsidiaries and affiliates (including the Issuers) (the "Group") are subject to the following key risks:</p> <p>As a large, international financial services company, BAC and its subsidiaries and affiliates face risks that are inherent in the business and market places in which they operate. Material factors that could affect BAC’s businesses, results of operations and financial condition and the relevant Issuer’s or BAC’s ability to fulfill their respective obligations include, but are not limited to, general business, economic and political conditions in the United States and in other countries; mortgage and housing market-related conditions, contractual and legal settlement-related obligations and litigation; liquidity risks, including risks associated with adverse changes to BAC's credit ratings, liquidity of global markets, interest rates and the potential inability of BAC to meet its contractual and contingent financial obligations as they become due; credit risks, including the risk of loss arising from default of a borrower, obligor or counterparty when such borrower, obligor or counterparty does not meet its obligations; market risks, including the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions and related risks inherent in the financial instruments associated with BAC’s operations, including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives; regulatory and legal risk, including risks stemming from changes in applicable laws or regulations in the United States and in other countries; reputational risks; risks arising from governmental fiscal and monetary policies in the United States and in other countries; competition in the financial services industry; the adequacy of BAC’s risk management framework; and changes in accounting standards.</p>					

D.3	Key information on the key risks that are specific to the Securities	<p>The Securities are subject to the following key risks:</p> <ul style="list-style-type: none"> • The Securities are unsecured obligations and the rights of Holders to participate in any distribution of the assets of the Issuer upon its liquidation or reorganisation or otherwise may be subject to the prior claims of other creditors • The yield on the Securities may be less than the yield on a conventional debt security of comparable maturity and may not reflect the full opportunity cost to an investor when factors that affect the time value of money are considered. • [A postponement of valuation or determination due to a market disruption event or a disrupted day or certain extraordinary events affecting the underlying asset(s) to which the Securities are linked may have an adverse effect on the value of the Securities.] • [The occurrence of a payment disruption event may lead to a delayed and/or reduced payment in respect of the Securities and in certain circumstances may even be zero. In this case, a Holder could lose up to all of its investment in the Securities] • The Issuer may make certain modifications to the Securities without the consent of the Holders. • At meetings of Holders, the decision of the majority will bind all Holders. • There may be conflicts of interest between the Issuer, BAC and/or their respective Affiliates and the Holders, which could materially and adversely affect the value of the Securities. • The fees to be paid to distributor(s) included in the Issue Price, hedging and other costs for the Securities, changes to the Issuer's or Guarantor's credit spreads and changes in the level(s) of the underlying asset(s) may cause the secondary market price of the Securities to be less than the Issue Price. • If the Issuer determines that the performance of either its obligations under the Securities or the obligations of BAC under the Guarantee has or will become illegal in whole or in part for any reason, the Issuer may redeem or cancel the Securities, as applicable, at an amount which may be less than the purchase price of the Securities. • United States federal tax legislation may impose a withholding tax on (i) payments made by the Issuer with respect to the Securities to certain Holders; and (ii) on certain payments made to an Issuer in which case the Issuer may be entitled to redeem or cancel the Securities prior to maturity. • United States federal tax may be withheld from payments with respect to Securities that are treated as "dividend equivalents". In addition, if any payment with respect to the Securities would be treated as a "dividend equivalent", the Issuer would be entitled to redeem or cancel the Securities at any time prior to maturity, settlement, expiration or exercise, as applicable, of the Securities. • Investors may be subject to foreign exchange exposure and the Securities may become subject to exchange control meaning that amount that investors receive may be less than expected or zero. • Many factors will determine the price of the Securities in the secondary market and such market may be illiquid meaning that investors may lose all or a substantial portion of the purchase price of the Securities.
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- Payments on the Securities are subject to the credit risk of the Issuer and BAC, and the value of the Securities will be affected by a credit rating reduction of BAC.

[In the case of Securities that are principally protected:]

- [Investors in the Securities which are principal protected may still be subject to loss of some or all of their investment if the Issuer and BAC are subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of each to meet its obligations under the Securities. An investor may also lose some or all of its investment if it seeks to sell the Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market is less than the initial investment or the Securities are subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid or asset(s) to be delivered upon redemption being reduced to or being valued at an amount less than an investor's initial investment.]

[In the case of W&C Securities:]

- [There are no events of default in relation to the Securities and if the Issuer defaults on any obligation under the Securities, Holders will have no right to declare all of the remaining obligations of the Issuer to be immediately due and payable.]

[In the case of Warrants:]

- [There will be a time lag between the time a Holder gives instructions to exercise and the time the applicable cash settlement amount relating to such exercise is determined, and such time lag could decrease the cash settlement amount.]
- [Holders may have to tender a certain number of Securities at any one time in order to exercise the Securities and Holders with fewer Securities will either have to sell or purchase additional Securities, incurring transaction costs, in order to realise their investment.]

[In the case of American Style Warrants:]

- [The number of American style Securities exercisable on any date other than the expiration date may be limited to a maximum number.]

[In the case of Rule 144A Warrants:]

- [Transfers of the Securities are restricted and any transfer or attempted transfer which does not comply with the applicable transfer restrictions shall be null and void *ab initio* and shall vest no rights in the purported transferee.]

[In the case of listed Securities:]

- [In certain circumstances, such as changes in listing requirements, the Issuer will not be obliged to maintain the listing of the Securities.]

[In the case of Underlying Asset Linked Securities:]

- [Movements in the level or price of an underlying asset will affect the performance of the Securities and may affect the actual yield to investors.]
- [The Securities include a multiplier or leverage factor in the formula used to determine the amount(s) payable in respect of the Securities. The Securities represent a very speculative and risky form of investment since any change in the value of the underlying asset(s) carries the risk

of a correspondingly higher change in their value.]

- [Holders have no claim against any underlying asset(s), and the return on the Securities, if any, may be less than the return on an investment directly in the underlying asset(s).]

[In the case of Physical Delivery Securities:]

- [A Holder may not receive the Entitlement relating to a Security if it fails to deliver the required notice and pay Expenses relating to such Security and Settlement may be delayed or made in cash if [a settlement disruption event occurs][certain events arise] which may adversely affect the value of the Securities.]

[In case of Securities which are linked to emerging market underlying asset(s)]

- [Investors in the Securities should be aware that the political and economic situation in countries with emerging economies or stock markets may lack the social, political and economic stability characteristics of more developed countries. An investment in emerging market underlying asset(s) may be affected by unanticipated political or social developments. Emerging market underlying asset(s) may be illiquid and more volatile than investments in more established markets. It may be difficult to assess the value of the underlying asset(s) due to limited information on local issuers.]

[In the case of a basket of Underlying Assets:]

- [A high correlation of basket components may have a significant effect on amounts payable on the Securities and the negative performance of a single basket component may outweigh a positive performance of one or more other basket components and may have an impact on the amounts payable on the Securities.]
- [A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of the underlying assets and a change in composition of a basket may have an adverse effect on basket performance. These factors may have an impact on the amounts payable on the Securities.]

[In the case of Index Linked Securities:]

- [Factors affecting the performance of the [Index][Indices] may adversely affect the value of the Securities and returns on the Securities do not reflect a direct investment in underlying shares or other assets comprising the [Index][Indices].]
- [A change in the composition or discontinuance of the [Index][Indices] and/or the substitution of [the][an] Index with a successor Index could adversely affect the market value of the Securities.]
- [The Securities are not sponsored, endorsed, sold, or promoted by [the][an] Index or sponsor of such Index. No representation is made by the sponsor of [the][an] Index on the results obtained from the use of such Index, the levels of such Index at any time on any day or the advisability of investing in the Securities linked to such Index. The sponsor of [the][an] Index has no obligation to advise any person of any error in such Index and neither [the][an] Index nor the sponsor thereof is liable for any such errors. The Issuer, BAC and BAC's affiliates are not liable to the Holders for any actions or omissions of the sponsor of [the][an] Index, the accuracy, completeness, and timeliness of any information concerning such Index, the performance of such Index, any data included in or omitted from such Index or use thereof in connection with the Securities.]

[In the case of Index Linked Securities and "LEPW Conditions" are applicable]

- [Investors should note all payments made by the Issuer will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge the Securities.]

[In the case of Share Linked Securities:]

- [No issuer of the Share[s] will have participated in establishing the terms of the Securities and factors affecting the performance of the Share[s] may adversely affect the value of the Securities. Holders have no claim against the Share [Company][Companies] or recourse to the Share[s].]
- [Adjustments to the condition of the Securities made by the Calculation Agent following the occurrence of potential adjustment events, merger events, tender offers, de-listing, nationalisations, insolvencies or additional disruption events affecting the Share[s] may have an adverse effect on the value of the Securities.]

[In the case where physical delivery is applicable]

- [Holders may receive physical delivery of Share[s] in lieu of payment of cash amounts and Holders will have no voting rights or may have no right to receive dividends or distributions in respect of the Share[s].]

[In the case of Share Linked Securities and "LEPW Conditions" are applicable]

- [The Calculation Agent may make certain determinations in respect of the Securities following the occurrence of any potential adjustment event in respect of the Share[s] to account for the diluting or concentrative effect of such potential adjustment event. Such determinations include the issue of additional or new Securities linked to the capital or securities of a company other than the Share [Company][Companies], or the distribution of a cash amount to Holders, or the adjustment of the terms and conditions of the Securities. None of the Issuer, the Guarantor or any of their respective affiliates are in a position to advise the Holders on the impact of such determinations. Holders should consult their professional advisers on any consequences or considerations which may be relevant to, or result from, such determinations. Investors should note all payments made by the Issuer will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge the Securities.]

[In the case of GDR/ADR Linked Securities:]

- [The amount(s) payable in respect of the Securities do not reflect direct investment in the shares underlying the [ADR(s)][GDR(s)].]
- [Purchasers of the underlying shares represented by [ADR(s)][GDR(s)] may not be recognised as the actual beneficial owner of such underlying shares. If this occurs and holders of [ADR(s)] [GDR(s)] lose the rights under the underlying shares, the Securities would become worthless. Distributions on the underlying shares represented by the [GDR(s)] [ADR(s)] may not be passed on to the purchasers of the [GDR(s)] [ADR(s)] which may affect the value of the Securities].]
- Adjustments to the conditions of the Securities made by the Calculation Agent following the occurrence of certain corporate events affecting the underlying shares represented by the [ADRs][GDRs] or the termination of the deposit agreement constituting the [ADRs][GDRs] may have an

		<p>adverse effect on the value of the Securities.</p> <p><i>[In the case of Securities in respect of which "Exchange Rate" is applicable:]</i></p> <ul style="list-style-type: none"> • [Factors affecting the performance of the [Currency Price] [Derived Exchange Rate] may adversely affect the value of the Securities and BAC is a major foreign exchange dealer and may participate in transactions that are adverse to the interests of Holders.] <p><i>[In case of the Subject Currency, Base Currency or Reference Currency are currencies of emerging markets jurisdictions]</i></p> <ul style="list-style-type: none"> • [The [Subject Currency] [and] [Reference Currency] [and] [Base Currency] [is/are] currency(ies) of emerging markets jurisdiction(s) and may experience greater volatility and less certainty as to [its/their] future levels or rate(s) of exchange as compared with other currencies of non-emerging market jurisdiction(s).] <p><i>[In the case of Fund Linked Securities:]</i></p> <ul style="list-style-type: none"> • [The Fund[s] may be subject to: (i) certain events resulting in the replacement of [the Fund] [one or more Funds] with one or more alternative underlying asset(s) which may adversely impact the value of the Securities; and (ii) transfer restrictions arising out of applicable securities law and illiquidity which may affect the net asset value of the Fund[s] and impact the value of the Securities.] • [As the shares of the Fund[s] may only be redeemable on certain dates, there is a risk of delays or defaults in payment of redemption proceeds which may result in the Calculation Agent making adjustments to the net asset value per share of [the/each] Fund, thereby reducing the return on the Securities.]
D.6	The key risks that are specific to the Securities	<p>Please refer to D.3 above</p> <ul style="list-style-type: none"> • [Investors may lose all or a substantial portion of their investment.] [The Securities are designed for specific investment objectives or strategies and, therefore, have a more limited secondary market and may experience more price volatility. Holders may not be able to sell the Securities readily or at prices that will enable them to realise their anticipated yield. No investor should purchase the Securities unless such investor understands and is able to bear the risk that the Securities may not be readily saleable, that the value of such Securities will fluctuate over time, [and] that such fluctuations may be significant [and that such investor may lose all or a substantial portion of the purchase price of the Securities].] <p><i>[Insert if Annex XII is applicable]</i></p>
SECTION E – THE OFFER		
E.2b	Reasons for the offer and use of proceeds	<p><i>[Insert for Notes]</i> [MLBV intends to use the net proceeds from the issue and sale of the Securities for general corporate purposes, including making general loans to affiliates.]</p> <p><i>[Insert for Notes]</i> [MLBV intends to use the net proceeds from the issue of Securities for [●].]</p> <p><i>[Insert for W&C Securities]</i> [[MLBV] [MLICo.] intends to use the net proceeds from each issue of Securities issued by it for its general corporate purposes. A substantial portion of the proceeds from the issue of Securities may be used to hedge market risk with respect to such Securities.]</p> <p><i>[Insert for W&C Securities]</i> [[MLBV][MLICo.] intends to use the net proceeds from the issue of Securities for [●]] <i>[Insert if Annex V or Annex XII is applicable]</i></p>

E.3	Terms and conditions of the offer	<p>[An offer of the Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in [●] ("Public Offer Jurisdiction[s]") during the period [from [(and including)] [●] to [(and including)] [●]] ("Offer Period") by the Authorised Offeror[s].</p> <p>[The Offer Price is [●] (the "Issue Price"). [The/Each] Authorised Offeror will offer and sell the Securities to its customers in accordance with arrangements in place between [the/such] Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.]</p> <p>[Offers of Securities are conditional on their issue and are subject to [●] [certain conditions being met]. As between [the/each] Authorised Offeror and its customers, offers of the Securities are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]</p> <p>[An Investor will purchase the Securities in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Securities.]</p>
E.4	Interests material to the issue/offer	[Save for any fees payable to [the/each] [Manager] [Dealer], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer][●].
E.7	Estimated expenses	[Not applicable; [MLBV][MLCo.] will not charge any expenses to the investor.]/[●]

RISK FACTORS

Each of MLBV, MLICo. and BAC believes that the following factors may affect its ability to fulfil its obligations in respect of Securities issued under the Programme and/or are material for the purpose of assessing the market risks associated with Securities issued under the Programme. All of these factors are contingencies which may or may not occur, and none of MLBV, MLICo. or BAC is in a position to express a view on the likelihood of any such contingency occurring.

*Each of MLBV, MLICo. and BAC believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the relevant Issuer or BAC to pay any cash amounts in connection with any cash settled securities ("**Cash Settled Securities**") or to deliver the Entitlement in connection with any physical delivery securities ("**Physical Delivery Securities**") may occur for other reasons, and neither the Issuers nor BAC represents that the statements below regarding the risks of holding any Securities are exhaustive. Additional risks and uncertainties not presently known to any of MLBV, MLICo. or BAC or that any of MLBV, MLICo. or BAC currently believes to be immaterial could also have a material impact on its business operations or the Securities. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Terms used in this section and not otherwise defined shall have the meanings given to them in the "Terms and Conditions of the Notes" or the "Terms and Conditions of the W&C Securities", as applicable (together the "**Conditions**" and references herein to "**relevant Conditions**" shall be construed accordingly).*

Risk factors relating to the Issuers

Factors that may affect the relevant Issuer's ability to fulfil its obligations under Securities issued under the Programme

The Issuers are finance vehicles whose principal purposes are to raise debt or enter into financial contracts to assist the financing activities of the relevant Issuer's affiliates. Accordingly, the Issuers do not have any trading assets and do not generate any significant net income.

MLICo. engages primarily in the issuance of warrants and related financial instruments and the distribution of Merrill Lynch-branded managed funds world-wide (with the exception of North America) and other managed fund products.

The main markets in which MLBV will issue and sell securities are the Eurobond markets.

The Issuers' payment and non-cash delivery obligations under Securities issued under the Programme are guaranteed unconditionally and irrevocably pursuant to the Guarantee. As a result, if the Guarantor's financial condition were to deteriorate, the Issuers and investors in the Securities may suffer direct and materially adverse consequences. Accordingly, prospective investors in Securities should review, *inter alia*, the factors below regarding BAC, its subsidiaries and affiliates (including the Issuers) (together with BAC, the "**Group**") and the Group's businesses and industry, which may affect the relevant Issuer's ability to fulfil its obligations under the Securities and BAC's ability to fulfil its obligations under the Guarantee.

Risk factors relating to the Guarantor and the Group and to the Group's Businesses and Industry

The following risk factors refer to BAC, rather than directly to the Issuers. When used in this Base Prospectus, and as required by the context, "BAC" may refer to BAC individually, BAC and its subsidiaries, or certain of BAC's subsidiaries or affiliates, individually or collectively.

Risk factors relating to BAC and to BAC's Businesses and Industry

In the course of conducting its business operations, BAC is exposed to a variety of risks, some of which are inherent in the financial services industry and others of which are more specific to BAC's own businesses. The discussion below addresses the most significant factors, of which BAC is aware, that could affect BAC's businesses, results of operations and financial condition. Additional factors that could affect BAC's businesses, results of operations and financial condition are discussed in BAC's

Annual Report on Form 10-K for the year ended 31 December 2012 (the "**BAC 2012 Annual Report**") under the heading "Forward-looking Statements." However, other factors not discussed below or in the BAC 2012 Annual Report could also adversely affect BAC's businesses, results of operations and financial condition. Therefore, the risk factors below should not be considered a complete list of potential risks that BAC may face.

Any risk factor described in the BAC 2012 Annual Report could by itself, or together with other factors, materially adversely affect BAC's liquidity, cash flows, competitive position, business, results of operations or financial condition.

General Economic and Market Conditions Risk

BAC's businesses and results of operations may be adversely affected by the U.S. and international financial markets and economic conditions generally.

BAC's businesses and results of operations are affected by the financial markets and general economic conditions in the U.S. and abroad, including factors such as the level and volatility of short-term and long-term interest rates, inflation, home prices, unemployment and under-employment levels, bankruptcies, household income, consumer spending, fluctuations in both debt and equity capital markets, liquidity of the global financial markets, the availability and cost of capital and credit, investor sentiment and confidence in the financial markets, European sovereign debt risks and the strength of the U.S. economy and the non-U.S. economies in which BAC operates. The deterioration of any of these conditions could adversely affect BAC's consumer and commercial businesses and securities portfolios, BAC's level of charge-offs and provision for credit losses, the carrying value of BAC's deferred tax assets, BAC's capital levels and liquidity, and BAC's results of operations.

Continued elevated unemployment, under-employment and household debt, along with continued stress in the consumer real estate market and certain commercial real estate markets, in the U.S. pose challenges for domestic economic performance and the financial services industry. The sustained high unemployment rate and the lengthy duration of unemployment have directly impaired consumer finances and pose risks to the financial services industry. Continued uncertainty in the housing markets and elevated levels of distressed and delinquent mortgages pose further risks to the housing market. The current environment of heightened scrutiny of financial institutions has resulted in increased public awareness of and sensitivity to banking fees and practices. Mortgage and housing market-related risks may be accentuated by attempts to forestall foreclosure proceedings, as well as U.S. state and federal investigations into foreclosure practices by mortgage servicers. Each of these factors may adversely affect BAC's fees and costs.

For additional information about economic conditions and challenges discussed above, see Executive Summary – 2012 Economic and Business Environment in the Management's Discussion and Analysis of Financial Condition and Results of Operations (the "**MD&A**") on page 26 of the BAC 2012 Annual Report.

Mortgage and Housing Market-Related Risk

BAC's mortgage loan repurchase obligations or claims from third parties could result in additional material losses.

BAC and BAC's legacy companies have sold significant amounts of residential mortgage loans directly to government-sponsored enterprises, Fannie Mae ("**FNMA**") and Freddie Mac ("**FHLMC**") (collectively, the "**GSEs**"), and residential mortgage loans to investors other than GSEs as whole loans or private-label securitisations. In connection with these sales, BAC or certain of its subsidiaries or legacy companies make or have made various representations and warranties, breaches of which may result in a requirement that BAC repurchase the mortgage loans, or otherwise make whole or provide other remedies to counterparties. For example, BAC and such legacy companies sold over \$2 trillion of such loans originated between 2004 and 2008.

On 6 January 2013, BAC entered into agreements with FNMA ("**FNMA Settlement**") to resolve substantially all outstanding and potential repurchase and certain other claims relating to the origination, sale and delivery of residential mortgage loans originated and sold directly to FNMA from 1 January 2000 through 31 December 2008 by entities related to legacy Countrywide Financial Corporation ("**Countrywide**") and Bank of America, N.A. ("**BANA**"). The FNMA Settlement

extinguished substantially all of the unresolved repurchase claims from FNMA, as well as any future representations and warranties repurchase claims, associated with such loans, subject to certain exceptions which BAC does not expect to be material.

At 31 December 2012, the total notional amount of BAC's unresolved representations and warranties repurchase claims was approximately \$28.3 billion, which included \$12.2 billion resolved by the FNMA Settlement, compared to \$12.6 billion at 31 December 2011.

In addition to repurchase claims, BAC receives notices from mortgage insurance ("**MI**") companies of claim denials, cancellations or coverage rescission (collectively, "**MI rescission notices**") and the number of such notices has remained elevated. As of 31 December 2012, 68 per cent. of the MI rescission notices BAC has received have not yet been resolved. The FNMA Settlement clarified the parties' obligations with respect to MI, including establishing timeframes for certain payments and other actions, setting parameters for potential bulk settlements and providing for cooperation in future dealings with mortgage insurers. As a result, BAC will be required to remit to FNMA the amount of certain MI coverage as a result of MI claims rescissions in advance of collection from the mortgage insurance companies and, in certain cases, BAC may not ultimately collect all such amounts from the mortgage insurance companies.

The total amount of BAC's recorded liability related to representations and warranties repurchase exposures (which includes exposures related to MI rescission notices) was \$19.0 billion at 31 December 2012. BAC currently estimates that the range of possible loss for representations and warranties exposures could be up to \$4 billion over accruals at 31 December 2012. This range of possible loss reflects the impact of the FNMA Settlement and covers principally non-GSE exposures. BAC's estimated range of possible loss does not represent a probable loss.

BAC's estimated liability and range of possible loss for representations and warranties exposures is based on then-currently available information and is necessarily dependent on, and limited by, a number of factors, including BAC's historical claims and settlement experience, including the FNMA Settlement, projections of future defaults and, for private-label securitisations, the implied repurchase experience based on the pending Bank of New York Mellon settlement ("**BNY Mellon Settlement**"), as well as significant judgment and a number of assumptions that are subject to change, including the assumption that the conditions to the BNY Mellon Settlement are satisfied. As a result, BAC's liability and estimated range of possible loss related to BAC's representations and warranties exposures may materially change in the future based on factors beyond BAC's control. Future provisions and/or estimated ranges of possible loss for representations and warranties may be significantly impacted if actual experiences are different from BAC's assumptions in its predictive models, including, without limitation, ultimate resolution of the BNY Mellon Settlement, estimated repurchase rates, economic conditions, estimated home prices, consumer and counterparty behaviour, and a variety of other judgmental factors. In addition, BAC has not recorded any representations and warranties liability for certain potential private-label securitisation and whole-loan exposures where BAC has little to no claim experience. Additionally, reserves for certain potential monoline exposures are considered in BAC's litigation reserves.

Adverse developments with respect to one or more of the assumptions underlying the liability for representations and warranties and the corresponding estimated range of possible loss could result in significant increases to future provisions and/or the estimated range of possible loss. For example, if courts, in the context of claims brought by private-label securitisation trustees, were to disagree with BAC's interpretation that the underlying agreements require a claimant to prove that the representations and warranties breach was the cause of the loss, it could significantly impact the estimated range of possible loss. Additionally, if recent court rulings related to monoline litigation, including one related to BAC, that have allowed sampling of loan files instead of requiring a loan-by-loan review to determine if a representations and warranties breach has occurred, are followed generally by the courts in other monoline litigation, private-label securitisation counterparties may view litigation as a more attractive alternative compared to a loan-by-loan review.

If future representations and warranties losses occur in excess of BAC's recorded liability and estimated range of possible loss, including as a result of the factors set forth above, such losses could have a material adverse effect on BAC's cash flows, financial condition and results of operations. The liability for obligations under representations and warranties exposures and the corresponding estimated range of possible loss do not consider any losses related to litigation matters, including

litigation brought by monoline insurers, disclosed in *Note 13 – Commitments and Contingencies* to the Consolidated Financial Statements of the BAC 2012 Annual Report, nor do they include any separate foreclosure costs and related costs, assessments and compensatory fees or any other possible losses related to potential claims for breaches of performance of servicing obligations (except as such losses are included as potential costs of the BNY Mellon Settlement), potential securities law or fraud claims or potential indemnity or other claims against BAC, including claims related to loans insured by the Federal Housing Administration ("FHA"). BAC is not able to reasonably estimate the amount of any possible loss with respect to any such servicing, securities law, fraud or other claims against BAC, except to the extent reflected in the aggregate range of possible loss for litigation and regulatory matters disclosed in *Note 13 – Commitments and Contingencies* to the Consolidated Financial Statements of the BAC 2012 Annual Report; however, such loss could have a material adverse effect on BAC's cash flows, financial condition and results of operations.

For additional information about BAC's representations and warranties exposure, see Off-Balance Sheet Arrangements and Contractual Obligations – Representations and Warranties in the MD&A on page 54, Consumer Portfolio Credit Risk Management in the MD&A on page 80 and *Note 8 – Representations and Warranties Obligations and Corporate Guarantees* to the Consolidated Financial Statements, each of the BAC 2012 Annual Report.

BAC's representations and warranties losses could be substantially higher than existing accruals and the existing estimated range of possible loss for representations and warranties liability if court approval of the BNY Mellon Settlement is not obtained or if it is otherwise abandoned.

The BNY Mellon Settlement is subject to final court approval and certain other conditions. Although the final court hearings on the settlement are scheduled to begin on 30 May 2013, BAC cannot currently predict the timing or ultimate outcome of the court approval process, which can include appeals and could take a substantial period of time. There can be no assurance that final court approval of the BNY Mellon Settlement will be obtained, that all conditions will be satisfied (including the receipt of private letter rulings from the IRS and other tax rulings and opinions) or, if certain conditions to the BNY Mellon Settlement permitting withdrawal are met, that BAC and legacy Countrywide will not withdraw from the BNY Mellon Settlement agreement.

If final court approval is not obtained with respect to the BNY Mellon Settlement, or if BAC and legacy Countrywide determine to withdraw from the BNY Mellon Settlement agreement in accordance with its terms, BAC's future representations and warranties losses with respect to non-GSEs could substantially exceed BAC's non-GSE reserve, together with BAC's estimated range of reasonably possible loss for all representations and warranties exposures of up to \$4 billion over existing accruals at 31 December 2012. Developments with respect to one or more of the assumptions underlying the estimated range of possible loss for representations and warranties (including the timing and ultimate outcome of the court approval process relating to the BNY Mellon Settlement) could result in significant increases in BAC's non-GSE reserve and/or this estimated range of possible loss.

For additional information regarding the BNY Mellon Settlement, see *Note 8 – Representations and Warranties Obligations and Corporate Guarantees* to the Consolidated Financial Statements of the BAC 2012 Annual Report.

If the U.S. housing market weakens, or home prices decline, BAC's consumer loan portfolios, credit quality, credit losses, representations and warranties exposures, and earnings may be adversely affected.

Although U.S. home prices have shown signs of improvement during 2012, the declines over the past several years negatively impacted the demand for many of BAC's products and the credit performance of BAC's consumer mortgage portfolios. Additionally, BAC's mortgage loan production volume is generally influenced by the rate of growth in residential mortgage debt outstanding and the size of the residential mortgage market.

Conditions in the U.S. housing market over the past several years also resulted in significant write-downs of asset values in several asset classes, notably mortgage-backed securities ("MBS"), and exposure to monolines. If the U.S. housing market were to weaken, the value of real estate could decline, which could negatively affect BAC's exposure to representations and warranties. While there were indications in 2012 that the U.S. economy is stabilising, the performance of BAC's overall

consumer portfolios may not significantly improve in the near future. A protracted continuation or worsening of difficult housing market conditions may exacerbate the adverse effects outlined above and could have a significant adverse effect on BAC's financial condition and results of operations.

In addition, BAC's home equity portfolio, which makes up approximately 30 per cent. of BAC's total home loans portfolio, contains a significant percentage of loans in second-lien or more junior-lien positions, and such loans have elevated risk characteristics. BAC's home equity portfolio had an outstanding balance of \$108.0 billion as of 31 December 2012, including \$91.3 billion of home equity lines of credit, \$15.3 billion of home equity loans and \$1.4 billion of reverse mortgages. Of the total home equity portfolio at 31 December 2012, \$21.1 billion, or 20 per cent., were in first-lien positions (21 per cent. excluding the Countrywide purchase credit-impaired ("**PCI**") home equity portfolio) and \$86.9 billion, or 80 per cent. (79 per cent. excluding the Countrywide PCI home equity portfolio) were in second-lien or more junior-lien positions.

Continued mortgage foreclosure delays and investigations into BAC's residential mortgage foreclosure practices and BAC's compliance with regulatory orders related to past and current servicing and foreclosure activities may significantly increase BAC's costs. In addition, mortgage foreclosure proceedings have been slow in certain states due to a high volume of pending proceedings, which may cause BAC to have higher credit losses.

BAC temporarily suspended foreclosure sales in 2010 while BAC and regulatory authorities examined BAC's foreclosure processes. Although BAC has resumed foreclosure sales in all U.S. states, its progress on foreclosure sales in U.S. states where foreclosure requires a court order ("**judicial states**") has been much slower than in those U.S. states where foreclosure does not require a court order ("**non-judicial states**"). There continues to be a backlog of foreclosure inventory in judicial states as the process of obtaining a court order can significantly increase the time required to complete a foreclosure. Excluding fully-insured portfolios, approximately 30 per cent. of BAC's residential mortgage loan portfolio, including 36 per cent. of nonperforming residential mortgage loans, and 36 per cent. of BAC's home equity portfolio, including 44 per cent. of nonperforming home equity loans, were in judicial states as of 31 December 2012.

The implementation of changes in procedures and controls, including loss mitigation procedures related to BAC's ability to recover on FHA insurance-related claims, and governmental, regulatory and judicial actions, may result in continuing delays in foreclosure proceedings and foreclosure sales and create obstacles to the collection of certain fees and expenses, in both judicial and non-judicial foreclosures, which could cause BAC to have higher credit losses.

BAC entered into a consent order with the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") and BANA entered into a consent order with the Office of the Comptroller of the Currency ("**OCC**") on 13 April 2011 ("**2011 OCC Consent Order**"). The 2011 OCC Consent Order required that BAC submit a plan to the OCC to remediate all financial injury to borrowers caused by any identified foreclosure deficiencies following an independent foreclosure review ("**IFR**"). On 7 January 2013, BAC and other mortgage servicing companies reached an agreement in principle with the Federal Reserve and the OCC to cease the IFR and replace it with an accelerated remediation process ("**2013 IFR Acceleration Agreement**"). Under the 2013 IFR Acceleration Agreement, BAC made a cash payment of \$1.1 billion and agreed to provide approximately \$1.8 billion of borrower assistance in the form of loan modifications and other foreclosure prevention actions.

In March 2012, BAC entered into settlement agreements with the U.S. Department of Justice, various U.S. federal regulatory agencies and 49 state Attorneys General; the U.S. Department of Housing and Urban Development ("**HUD**"); and the Federal Reserve and the OCC (collectively, the "**National Mortgage Settlement**"). The National Mortgage Settlement became final upon a U.S. District Court order in April 2012 and (1) resolved U.S. federal and state investigations into certain origination, servicing and foreclosure practices, (2) resolved certain HUD claims relating to the origination of FHA-insured mortgage loans, primarily by Countrywide prior to and for a period following BAC's acquisition of that lender, and (3) imposed civil monetary penalties by both the Federal Reserve and the OCC related to conduct that was the subject of the 2011 OCC Consent Order. The National Mortgage Settlement did not cover claims arising out of securitisation (including representations made to investors with respect to MBS), criminal claims, private claims by borrowers, claims by certain U.S. states for injunctive relief or actual economic damages to borrowers related to Mortgage Electronic Registration Systems, Inc. ("**MERS**"), and claims by the GSEs (including repurchase demands), among

other items. Under the terms of the National Mortgage Settlement, BAC must establish certain uniform servicing standards and make available approximately \$7.6 billion in borrower assistance in the form of, among other things, principal reduction, short sales and deeds-in-lieu of foreclosure, and approximately \$1.0 billion in refinancing assistance. BAC also entered into agreements with several U.S. states under which BAC committed to perform certain minimum levels of principal reduction and related activities within those states.

As part of the FNMA Settlement, BAC agreed to make a cash payment to FNMA to settle substantially all of FNMA's outstanding and future claims for compensatory fees arising out of past foreclosure delays. Notwithstanding the FNMA Settlement, BAC expects that mortgage-related assessments and waiver costs, including compensatory fees, and other costs associated with foreclosures will remain elevated as additional loans are delayed in the foreclosure process. This will likely result in continued elevated noninterest expense, including default servicing costs and legal expenses, which may be partially offset by the impact of mortgage servicing right ("**MSR**") sales. Contributing to the elevated default servicing costs are required process changes, including those required under the consent orders with federal bank regulators. Delays in foreclosure sales may result in additional costs associated with the maintenance of properties or possible home price declines, result in a greater number of nonperforming loans and increased servicing advances and may adversely impact the collectability of such advances and the value of BAC's MSR asset, MBS and real estate owned properties. With respect to GSE MBS, the valuation of certain MBS could be negatively affected under certain scenarios due to changes in the timing of cash flows. With respect to non-GSE MBS, under certain scenarios the timing and amount of cash flows could be negatively affected.

BAC continues to be subject to additional borrower and non-borrower litigation and governmental and regulatory scrutiny related to BAC's past and current servicing and foreclosure activities, including those claims not covered by the National Mortgage Settlement. This scrutiny may extend beyond BAC's pending foreclosure matters to issues arising out of alleged irregularities with respect to previously completed foreclosure activities. The current environment of heightened regulatory scrutiny has the potential to subject BAC to inquiries or investigations that could adversely affect BAC's reputation. Such investigations by U.S. state and federal authorities, as well as any other governmental or regulatory scrutiny of BAC's foreclosure processes, could result in fines, penalties, equitable remedies, additional default servicing requirements and process changes, or other enforcement actions, and could result in higher legal costs in responding to governmental investigations and additional litigation.

For additional information regarding the temporary suspension of BAC's foreclosure sales, see Off-Balance Sheet Arrangements and Contractual Obligations – Other Mortgage-related Matters in the MD&A on page 61 of the BAC 2012 Annual Report.

Failure to satisfy BAC's obligations as servicer in the residential mortgage securitisation process, including residential mortgage foreclosure obligations, along with other losses BAC could incur in its capacity as servicer, could cause significant losses.

BAC and its legacy companies have securitised a significant portion of the residential mortgage loans that BAC originated or acquired. BAC services a large portion of the loans it has securitised and also services loans on behalf of third-party securitisation vehicles and other investors. In addition to identifying specific servicing criteria, pooling and servicing arrangements in a securitisation or whole loan sale typically impose standards of care on the servicer that may include the obligation to adhere to the accepted servicing practices of prudent mortgage lenders and/or to exercise the degree of care and skill that the servicer employs when servicing loans for its own account.

Many non-GSE residential mortgage-backed securitisations and whole-loan servicing agreements also require BAC to indemnify the trustee or other investor for or against failures by BAC to perform its servicing obligations or acts or omissions that involve wilful malfeasance, bad faith or gross negligence in the performance of, or reckless disregard of, BAC's duties. Servicing agreements with the GSEs generally provide the GSEs with broader rights relative to the servicer than are found in servicing agreements with private investors. Each GSE typically claims the right to demand that BAC repurchase loans that breach the seller's representations and warranties made in connection with the initial sale of the loans, even if BAC was not the seller. The GSEs also claim that they have the contractual right to demand indemnification or loan repurchase for certain servicing breaches. The GSEs' first mortgage seller/servicer guides provide for timelines to resolve delinquent loans through workout efforts or

liquidation, if necessary, and purport to require the imposition of compensatory fees if those deadlines are not satisfied except for reasons beyond BAC's control. BAC believes that the governing contracts, its course of dealing and collective past practices and understandings should inform resolution of these matters. Beginning in 2010, the GSEs increased the level of compensatory fees imposed and amended those servicing guides retroactively to impose significantly new and more stringent requirements relating to default activities, which could increase BAC's exposure to claims for compensatory fees. As part of the FNMA Settlement, BAC agreed to make a cash payment to FNMA to settle substantially all of FNMA's outstanding and future claims for compensatory fees arising out of past foreclosure delays.

With regard to alleged irregularities in foreclosure process-related activities referred to above, BAC may incur costs or losses if it elects or is required to re-execute or re-file documents or take other action in connection with pending or completed foreclosures. BAC may also incur costs or losses if the validity of a foreclosure action is challenged by a borrower, or overturned by a court because of errors or deficiencies in the foreclosure process. These costs and liabilities may not be reimbursable to BAC. BAC may also incur costs or losses relating to delays or alleged deficiencies in processing documents necessary to comply with U.S. state law governing foreclosures. BAC may be subject to deductions by insurers for MI or guarantee benefits relating to delays or alleged deficiencies. Additionally, if BAC commits a material breach of its servicing obligations that is not cured within specified timeframes, including those related to default servicing and foreclosure, BAC could be terminated as servicer under servicing agreements in certain circumstances. Any of these actions may harm BAC's reputation or increase its servicing costs.

Mortgage notes, assignments or other documents are often required to be maintained and are often necessary to enforce mortgages loans. There has been significant public commentary regarding the common industry practice of recording mortgages in the name of MERS, as nominee on behalf of the note holder, and whether securitisation trusts own the loans purported to be conveyed to them and have valid liens securing those loans. BAC currently uses the MERS system for a substantial portion of the residential mortgage loans that BAC originates, including loans that have been sold to investors or securitisation trusts. A component of the 2011 OCC Consent Order requires significant changes in the manner in which BAC services loans identifying MERS as the mortgagee. Additionally, certain U.S. local and state governments have commenced legal actions against BAC, MERS, and other MERS members, questioning the validity of the MERS model. Other challenges have also been made to the process for transferring mortgage loans to securitisation trusts, asserting that having a mortgagee of record that is different than the holder of the mortgage note could "break the chain of title" and cloud the ownership of the loan. In order to foreclose on a mortgage loan, in certain cases it may be necessary or prudent for an assignment of the mortgage to be made to the holder of the note, which in the case of a mortgage held in the name of MERS as nominee would need to be completed by a MERS signing officer. As such, BAC's practice is to obtain assignments of mortgages from MERS prior to instituting foreclosure. If certain required documents are missing or defective, or if the use of MERS is found not to be valid, BAC could be obligated to cure certain defects or in some circumstances be subject to additional costs and expenses. BAC's use of MERS as nominee for the mortgage may also create reputational and other risks for BAC.

In addition to the adverse impact these factors could directly have on BAC, BAC may also face negative reputational costs from these servicing risks, which could reduce its future business opportunities in this area or cause that business to be on less favourable terms to BAC.

For additional information, see Off-Balance Sheet Arrangements and Contractual Obligations in the MD&A on page 54 of the BAC 2012 Annual Report.

Liquidity Risk

Liquidity Risk is the Potential Inability to Meet BAC's Contractual and Contingent Financial Obligations, On- or Off-balance Sheet, as they Become Due.

Adverse changes to BAC's credit ratings from the major credit rating agencies could significantly limit BAC's access to funding or the capital markets, increase BAC's borrowing costs, or trigger additional collateral or funding requirements.

BAC's borrowing costs and ability to raise funds are directly impacted by BAC's credit ratings. In addition, credit ratings may be important to customers or counterparties when BAC competes in certain

markets and when BAC seeks to engage in certain transactions, including over-the-counter ("**OTC**") derivatives. Credit ratings and outlooks are opinions expressed by rating agencies on BAC's creditworthiness and that of BAC's obligations or securities, including long-term debt, short-term borrowings, preferred stock and other securities, including asset securitisations. BAC's credit ratings are subject to ongoing review by the rating agencies which consider a number of factors, including BAC's own financial strength, performance, prospects and operations as well as factors not under BAC's control.

On 21 June 2012, Moody's Investors Service, Inc. ("**Moody's**") completed its previously-announced review for possible downgrade of financial institutions with global capital markets operations, downgrading the ratings of 15 banks and securities firms, including BAC's ratings. BAC's long-term debt rating and BANA's long-term and short-term debt ratings were downgraded one notch as part of this action. Each of the three major rating agencies downgraded the ratings for BAC and its rated subsidiaries in late 2011.

Currently, BAC's long-term/short-term senior debt ratings and outlooks expressed by the rating agencies are as follows: Baa2/P-2 (negative) by Moody's; A-/A-2 (negative) by Standard & Poor's Financial Services LLC ("**S&P**"); and A/F1 (stable) by Fitch Ratings, Inc. ("**Fitch**"). The rating agencies could make further adjustments to BAC's credit ratings at any time. There can be no assurance that additional downgrades will not occur.

A further reduction in certain of BAC's credit ratings could negatively affect BAC's liquidity, access to credit markets, the related cost of funds, BAC's businesses and certain trading revenues, particularly in those businesses where counterparty creditworthiness is critical. If the short-term credit ratings of BAC's parent company, bank or broker/dealer subsidiaries were downgraded by one or more levels, BAC may suffer the potential loss of access to short-term funding sources such as repo financing, and/or increased cost of funds.

In addition, under the terms of certain OTC derivative contracts and other trading agreements, in the event of a further downgrade of BAC's credit ratings or certain subsidiaries' credit ratings, counterparties to those agreements may require BAC or certain subsidiaries to provide additional collateral, terminate these contracts or agreements, or provide other remedies. At 31 December 2012, if the rating agencies had downgraded their long-term senior debt ratings for BAC or certain subsidiaries by one incremental notch, the amount of additional collateral contractually required by derivative contracts and other trading agreements would have been approximately \$3.3 billion comprised of \$2.9 billion for BANA and \$418 million for Merrill Lynch & Co., Inc. ("**Merrill Lynch**") and certain of its subsidiaries. If the agencies had downgraded their long-term senior debt ratings for these entities by a second incremental notch, approximately \$4.4 billion in additional incremental collateral comprised of \$455 million for BANA and \$4.0 billion for Merrill Lynch and certain of its subsidiaries, would have been required.

Also, if the rating agencies had downgraded their long-term senior debt ratings for BAC or certain subsidiaries by one incremental notch, the derivative liability that would be subject to unilateral termination by counterparties as of 31 December 2012 was \$3.8 billion, against which \$3.0 billion of collateral has been posted. If the rating agencies had downgraded their long-term senior debt ratings for BAC and certain subsidiaries by a second incremental notch, the derivative liability that would be subject to unilateral termination by counterparties as of 31 December 2012 was an incremental \$1.7 billion, against which \$1.1 billion of collateral has been posted.

While certain potential impacts are contractual and quantifiable, the full consequences of a credit ratings downgrade to a financial institution are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including whether any downgrade of a firm's long-term credit ratings precipitates downgrades to its short-term credit ratings, and assumptions about the potential behaviours of various customers, investors and counterparties.

For additional information about BAC's credit ratings and their potential effects to BAC's liquidity, see Liquidity Risk – Credit Ratings in the MD&A on page 78 and *Note 3 – Derivatives* to the Consolidated Financial Statements, each of the BAC 2012 Annual Report.

If BAC is unable to access the capital markets, continue to maintain deposits, sell assets on favourable terms, or BAC's borrowing costs increase, BAC's liquidity and competitive position will

be negatively affected.

Liquidity is essential to BAC's businesses. BAC funds its assets primarily with globally sourced deposits in its bank entities, as well as secured and unsecured liabilities transacted in the capital markets. BAC relies on certain secured funding sources, such as repo markets, which are typically short-term and credit-sensitive in nature. BAC also engages in asset securitisation transactions, including with the GSEs, to fund consumer lending activities. BAC's liquidity could be adversely affected by any inability to access the capital markets; illiquidity or volatility in the capital markets; unforeseen outflows of cash, including customer deposits, funding for commitments and contingencies, including Variable Rate Demand Notes; the ability to sell assets on favourable terms; increased liquidity requirements on BAC's banking and nonbanking subsidiaries imposed by their home countries; or negative perceptions about BAC's short- or long-term business prospects, including downgrades of BAC's credit ratings. Several of these factors may arise due to circumstances beyond BAC's control, such as a general market disruption, negative views about the financial services industry generally, changes in the regulatory environment, actions by credit rating agencies or an operational problem that affects third parties or BAC.

BAC's cost of obtaining funding is directly related to prevailing market interest rates and to BAC's credit spreads. Credit spreads are the amount in excess of the interest rate of U.S. Treasury securities, or other benchmark securities, of a similar maturity that BAC needs to pay to its funding providers. Increases in interest rates and BAC's credit spreads can significantly increase the cost of BAC's funding. Changes in BAC's credit spreads are market-driven and may be influenced by market perceptions of BAC's creditworthiness. Changes to interest rates and BAC's credit spreads occur continuously and may be unpredictable and highly volatile.

For additional information about BAC's liquidity position and other liquidity matters, including credit ratings and outlooks and the policies and procedures BAC uses to manage its liquidity risks, see Capital Management and Liquidity Risk in the MD&A on pages 70 and 75, respectively, of the BAC 2012 Annual Report.

Bank of America Corporation is a holding company and it depends upon its subsidiaries for liquidity, including its ability to pay dividends to stockholders. Applicable laws and regulations, including capital and liquidity requirements, may restrict BAC's ability to transfer funds from BAC's subsidiaries to Bank of America Corporation or other subsidiaries.

Bank of America Corporation, as the parent company, is a separate and distinct legal entity from its banking and nonbanking subsidiaries. BAC evaluates and manages liquidity on a legal entity basis. Legal entity liquidity is an important consideration as there are legal and other limitations on BAC's ability to utilise liquidity from one legal entity to satisfy the liquidity requirements of another, including the parent company. For instance, the parent company depends on dividends, distributions and other payments from its banking and nonbanking subsidiaries to fund dividend payments on its common stock and preferred stock and to fund all payments on its other obligations, including debt obligations. Many of BAC's subsidiaries, including BAC's bank and broker/dealer subsidiaries, are subject to laws that restrict dividend payments or authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to the parent company or other subsidiaries. In addition, BAC's bank and broker/dealer subsidiaries are subject to restrictions on their ability to lend or transact with affiliates and to minimum regulatory capital and liquidity requirements, as well as restrictions on their ability to use funds deposited with them in bank or brokerage accounts to fund their businesses.

Additional restrictions on related party transactions, increased capital and liquidity requirements and additional limitations on the use of funds on deposit in bank or brokerage accounts, as well as lower earnings, can reduce the amount of funds available to meet the obligations of the parent company and even require the parent company to provide additional funding to such subsidiaries. Regulatory action of that kind could impede access to funds BAC needs to make payments on its obligations or dividend payments. In addition, BAC's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganisation is subject to the prior claims of the subsidiary's creditors. For additional information regarding BAC's ability to pay dividends, see *Note 14 – Shareholders' Equity* and *Note 17 – Regulatory Requirements and Restrictions* to the Consolidated Financial Statements of the BAC 2012 Annual Report.

Credit Risk

Credit Risk is the Risk of Loss Arising from a Borrower, Obligor or Counterparty Default when a Borrower, Obligor or Counterparty does not Meet its Obligations.

Economic or market disruptions, insufficient credit loss reserves or concentration of credit risk may necessitate an increase in the provision for credit losses, which could have an adverse effect on BAC's financial condition and results of operations.

When BAC loans money, commits to loan money or enters into a letter of credit or other contract with a counterparty, BAC incurs credit risk, or the risk of losses if BAC's borrowers do not repay their loans or BAC's counterparties fail to perform according to the terms of their agreements. A number of BAC's products expose BAC to credit risk, including loans, leases and lending commitments, derivatives, trading account assets and assets held-for-sale. As one of the nation's largest lenders, the credit quality of BAC's consumer and commercial portfolios has a significant impact on its earnings.

Global and U.S. economic conditions may impact BAC's credit portfolios. To the extent economic or market disruptions occur, such disruptions would likely increase BAC's credit exposure to customers, obligors or other counterparties due to the increased risk that they may default on their obligations to BAC. These potential increases in delinquencies and default rates could adversely affect BAC's consumer credit card, home equity, consumer real estate and purchased credit-impaired portfolios, through increased charge-offs and provision for credit losses. Additionally, increased credit risk could also adversely affect BAC's commercial loan portfolios.

BAC estimates and establishes an allowance for credit losses for losses inherent in its lending activities (including unfunded lending commitments), excluding those measured at fair value, through a charge to earnings. The amount of allowance is determined based on BAC's evaluation of the potential credit losses included within its loan portfolio. The process for determining the amount of the allowance, which is critical to BAC's financial condition and results of operations, requires difficult, subjective and complex judgments, including forecasts of economic conditions and how BAC's borrowers will react to those conditions. BAC's ability to assess future economic conditions or the creditworthiness of BAC's customers, obligors or other counterparties is imperfect. The ability of BAC's borrowers to repay their loans will likely be impacted by changes in economic conditions, which in turn could impact the accuracy of BAC's forecasts.

As with any such assessments, there is also the chance that BAC will fail to identify the proper factors or that BAC will fail to accurately estimate the impacts of factors that it identifies. BAC may suffer unexpected losses if the models and assumptions it uses to establish reserves and make judgments in extending credit to BAC's borrowers and other counterparties become less predictive of future events. Although BAC believes that its allowance for credit losses was in compliance with applicable accounting standards at 31 December 2012, there is no guarantee that it will be sufficient to address future credit losses, particularly if economic conditions deteriorate. In such an event, BAC might need to increase the size of its allowance, which reduces BAC's earnings.

In the ordinary course of its business, BAC also may be subject to a concentration of credit risk in a particular industry, country, counterparty, borrower or issuer. A deterioration in the financial condition or prospects of a particular industry or a failure or downgrade of, or default by, any particular entity or group of entities could negatively affect BAC's businesses, and the processes by which BAC sets limits and monitors the level of its credit exposure to individual entities, industries and countries may not function as BAC has anticipated. While BAC's activities expose it to many different industries and counterparties, BAC routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers/dealers, commercial banks, investment funds and insurers. This has resulted in significant credit concentration with respect to this industry. In the ordinary course of business, BAC also enters into transactions with sovereign nations, U.S. states and U.S. municipalities. Unfavourable economic or political conditions, disruptions to capital markets, currency fluctuations, social instability and changes in government policies could impact the operating budgets or credit ratings of sovereign nations, U.S. states and U.S. municipalities and expose BAC to credit risk.

BAC also has a concentration of credit risk with respect to its consumer real estate, consumer credit card and commercial real estate portfolios, which represent a large percentage of BAC's overall credit portfolio. The economic downturn has adversely affected these portfolios and further exposed BAC to this concentration of risk. Continued economic weakness or deterioration in real estate values or

household incomes could result in higher credit losses.

For additional information about BAC's credit risk and credit risk management policies and procedures, see Credit Risk Management in the MD&A on page 79 and *Note 1 – Summary of Significant Accounting Principles* to the Consolidated Financial Statements, each of the BAC 2012 Annual Report.

BAC could suffer losses and BAC's ability to engage in routine trading and funding transactions could be adversely affected as a result of the actions or deterioration in the commercial soundness of BAC's counterparties and other financial services institutions.

BAC has exposure to many different industries and counterparties, and BAC routinely executes transactions with counterparties in the financial services industry, including brokers/dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Financial services institutions and other counterparties are inter-related because of trading, funding, clearing or other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to significant future liquidity problems, including losses or defaults by BAC or by other institutions. Many of these transactions expose BAC to credit risk in the event of default of a counterparty or client. In addition, BAC's credit risk may be impacted when the collateral held by BAC cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivatives exposure due BAC.

BAC's derivatives businesses may expose BAC to unexpected risks and potential losses.

BAC is party to a large number of derivatives transactions, including credit derivatives. BAC's derivatives businesses may expose it to unexpected market, credit and operational risks that could cause BAC to suffer unexpected losses. Severe declines in asset values, unanticipated credit events or unforeseen circumstances that may cause previously uncorrelated factors to become correlated (and vice versa) may create losses resulting from risks not appropriately taken into account in the development, structuring or pricing of a derivative instrument. The terms of certain of BAC's OTC derivative contracts and other trading agreements provide that upon the occurrence of certain specified events, such as a change in BAC's credit ratings, BAC may be required to provide additional collateral or to provide other remedies, or BAC's counterparties may have the right to terminate or otherwise diminish BAC's rights under these contracts or agreements.

Many derivative instruments are individually negotiated and non-standardised, which can make exiting, transferring or settling some positions difficult. Many derivatives require that BAC deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, BAC does not hold, and may not be able to obtain, the underlying security, loan or other obligation.

In the event of a further downgrade of BAC's credit ratings, certain derivative and other counterparties may request BAC substitute BANA as counterparty for certain derivative contracts and other trading agreements. BAC's ability to substitute or make changes to these agreements to meet counterparties' requests may be subject to certain limitations, including counterparty willingness, regulatory limitations on naming BANA as the new counterparty, and the type or amount of collateral required. It is possible that such limitations on BAC's ability to substitute or make changes to these agreements, including naming BANA as the new counterparty, could adversely affect BAC's results of operations.

Derivatives contracts and other transactions entered into with third parties are not always confirmed by the counterparties or settled on a timely basis. While a transaction remains unconfirmed or during any delay in settlement, BAC is subject to heightened credit and operational risk and in the event of default may find it more difficult to enforce the contract. In addition, as new and more complex derivatives products have been created, covering a wider array of underlying credit and other instruments, disputes about the terms of the underlying contracts may arise, which could impair BAC's ability to effectively manage its risk exposures from these products and subject BAC to increased costs.

For additional information on BAC's derivatives exposure, see *Note 3 – Derivatives* to the Consolidated Financial Statements of the BAC 2012 Annual Report.

Market Risk

Market Risk is the Risk that Values of Assets and Liabilities or Revenues will be Adversely Affected by Changes in Market Conditions Such as Market Volatility. Market Risk is Inherent in the Financial Instruments Associated with BAC's Operations, Including Loans, Deposits, Securities, Short-term Borrowings, Long-term Debt, Trading Account Assets and Liabilities, and Derivatives.

Negative changes in the levels of market volatility and other financial or capital market conditions may increase BAC's market risk.

BAC's liquidity, cash flows, competitive position, business, results of operations and financial condition are affected by market risk factors such as changes in interest and currency exchange rates, equity and futures prices, the implied volatility of interest rates, credit spreads and other economic and business factors. These market risks may adversely affect, among other things, (i) the value of BAC's on- and off-balance sheet securities, trading assets other financial instruments, and MSRs, (ii) the cost of debt capital and BAC's access to credit markets, (iii) the value of assets under management, (iv) fee income relating to assets under management, (v) customer allocation of capital among investment alternatives, (vi) the volume of client activity in BAC's trading operations, (vii) investment banking fees, and (viii) the general profitability and risk level of the transactions in which BAC engages. For example, the value of certain of BAC's assets is sensitive to changes in market interest rates. If the Federal Reserve changes or signals a change in its current mortgage securities repurchase program, market interest rates could be affected, which could adversely impact the value of such assets.

BAC uses various models and strategies to assess and control BAC's market risk exposures but those are subject to inherent limitations. BAC's models, which rely on historical trends and assumptions, may not be sufficiently predictive of future results due to limited historical patterns, extreme or unanticipated market movements and illiquidity, especially during severe market downturns or stress events. The models that BAC uses to assess and control its market risk exposures also reflect assumptions about the degree of correlation among prices of various asset classes or other market indicators.

In times of market stress or other unforeseen circumstances, such as the market conditions experienced in 2008 and 2009, previously uncorrelated indicators may become correlated, or previously correlated indicators may move in different directions. These types of market movements have at times limited the effectiveness of BAC's hedging strategies and have caused BAC to incur significant losses, and they may do so in the future. These changes in correlation can be exacerbated where other market participants are using risk or trading models with assumptions or algorithms that are similar to BAC's. In these and other cases, it may be difficult to reduce BAC's risk positions due to the activity of other market participants or widespread market dislocations, including circumstances where asset values are declining significantly or no market exists for certain assets. To the extent that BAC owns securities that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, BAC may not be able to reduce its positions and therefore reduce its risk associated with such positions. In addition, challenging market conditions may also adversely affect BAC's investment banking fees.

For additional information about market risk and BAC's market risk management policies and procedures, see Market Risk Management in the MD&A on page 113 of the BAC 2012 Annual Report.

Further downgrades in the U.S. government's sovereign credit rating, or in the credit ratings of instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, could result in risks to BAC and its credit ratings and general economic conditions that BAC is not able to predict.

On 8 June 2012, S&P affirmed its AA+ long-term and A-1+ short-term sovereign credit rating on the U.S. government. The outlook remains negative. On 10 July 2012, Fitch affirmed its AAA long-term and F1+ short-term sovereign credit rating on the U.S. government. The outlook remains negative. Moody's also rates the U.S. government AAA with a negative outlook. All three rating agencies have indicated that they will continue to assess fiscal projections and consolidation measures, as well as the medium-term economic outlook for the U.S.

There continues to be the perceived risk of a sovereign credit ratings downgrade of the U.S. government, including the ratings of U.S. Treasury securities and other government-backed securities.

It is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are key assets on the balance sheets of financial institutions, including BAC, and are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. A downgrade of the sovereign credit ratings of the U.S. government and perceived creditworthiness of U.S. government-related obligations could impact BAC's ability to obtain funding that is collateralised by affected instruments, as well as affecting the pricing of that funding when it is available. A downgrade may also adversely affect the market value of such instruments.

BAC cannot predict if, when or how any changes to the credit ratings or perceived creditworthiness of these organisations will affect economic conditions. The credit rating agencies' ratings for BAC or its subsidiaries could be directly or indirectly impacted by a downgrade of the U.S. government's sovereign rating because the credit ratings of large systemically important financial institutions, including BAC, currently incorporate a degree of uplift due to assumptions concerning government support. In addition, BAC presently delivers a material portion of the residential mortgage loans it originates into GSEs, agencies or instrumentalities (or instruments insured or guaranteed thereby). BAC cannot predict if, when or how any changes to the credit ratings of these organisations will affect their ability to finance residential mortgage loans.

A downgrade of the sovereign credit ratings of the U.S. government or the credit ratings of related institutions, agencies or instrumentalities would significantly exacerbate the other risks to which BAC is subject and any related adverse effects on its business, financial condition and results of operations.

BAC's businesses may be affected by uncertainty about the financial stability of several European Union ("EU") countries, the risk that those countries may default on their sovereign debt and related stresses on financial markets, the Euro and the EU.

Risks and ongoing concerns about the debt crisis in Europe could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions and international financial institutions with exposure to the region, including BAC. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and residential mortgages, and housing prices among other factors. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, and the possible loss of EU member states, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere. To the extent European economic recovery uncertainty continues to negatively impact consumer confidence and consumer credit factors, or should the EU enter a deep recession, both the U.S. economy and BAC's business and results of operations could be adversely affected.

BAC has substantial U.K. net deferred tax assets, which consist primarily of net operating losses ("NOLs") that are realisable by a few non-U.S. subsidiaries that have a recent history of cumulative losses. These net deferred tax assets relate to NOLs that may be realised over an extended number of years. Management has concluded that no valuation allowance is necessary with respect to such net deferred tax assets, based in part on current expectations, including regarding the cessation of certain business activities, changes to capital and funding, forecasts of business activities and the indefinite period to carry forward NOLs. Significant changes to those expectations, such as would be caused by a substantial and prolonged worsening of the condition of Europe's capital markets, could lead management to reassess its valuation allowance conclusions.

Global economic uncertainty, regulatory initiatives and reform have impacted, and will likely continue to impact, non-U.S. credit and trading portfolios. There can be no assurance BAC's risk mitigation efforts in this respect will be sufficient or successful. BAC's total sovereign and non-sovereign exposure to Greece, Italy, Ireland, Portugal and Spain, was \$14.5 billion at 31 December 2012 compared to \$15.2 billion at 31 December 2011. BAC's total net sovereign and non-sovereign exposure to these countries was \$9.5 billion at 31 December 2012 compared to \$10.3 billion at 31 December 2011, after taking into account net credit default protection. At 31 December 2012 and 2011, the fair value of net credit default protection purchased was \$5.1 billion and \$4.9 billion. Losses could still result because BAC's credit protection contracts only pay out under certain scenarios.

For more information on BAC's direct sovereign and non-sovereign exposures in Europe, see Non-U.S. Portfolio in the MD&A on page 105 of the BAC 2012 Annual Report.

BAC may incur losses if the values of certain assets decline.

BAC has a large portfolio of financial instruments, including, among others, certain corporate loans and loan commitments, loans held-for-sale, repurchase agreements, long-term deposits, trading account assets and liabilities, derivatives assets and liabilities, available-for-sale debt and marketable equity securities, consumer-related MSRs and certain other assets and liabilities that BAC measures at fair value. BAC determines the fair values of these instruments based on the fair value hierarchy under applicable accounting guidance. The fair values of these financial instruments include adjustments for market liquidity, credit quality and other transaction-specific factors, where appropriate.

Gains or losses on these instruments can have a direct and significant impact on BAC's results of operations, unless BAC has effectively hedged its exposures. Changes in loan prepayment speeds, which are influenced by interest rates, among other things, can impact the value of BAC's MSRs and can result in higher or lower mortgage banking income and earnings, depending upon BAC's ability to fully hedge the performance of its MSRs. Fair values may be impacted by declining values of the underlying assets or the prices at which observable market transactions occur and the continued availability of these transactions. The financial strength of counterparties, with whom BAC has economically hedged some of its exposure to these assets, also will affect the fair value of these assets. Sudden declines and volatility in the prices of assets may curtail or eliminate the trading activity for these assets, which may make it difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces BAC's ability to limit losses in such positions and the difficulty in valuing assets may increase BAC's risk-weighted assets, which requires BAC to maintain additional capital and increases BAC's funding costs.

Asset values also directly impact revenues in BAC's asset management businesses. BAC receives asset-based management fees based on the value of its clients' portfolios or investments in funds managed by it and, in some cases, BAC also receives incentive fees based on increases in the value of such investments. Declines in asset values can reduce the value of BAC's clients' portfolios or fund assets, which in turn can result in lower fees earned for managing such assets.

For additional information about fair value measurements, see *Note 21 – Fair Value Measurements* to the Consolidated Financial Statements of the BAC 2012 Annual Report. For additional information about BAC's asset management businesses, see *Business Segment Operations – Global Wealth & Investment Management* in the MD&A on page 50 of the BAC 2012 Annual Report.

Changes in interest rates, prepayment speeds and borrowers' ability to refinance loans could have an adverse effect on BAC's financial condition or results of operations.

Government officials and regulatory authorities have advanced various proposals to assist homeowners and the housing and mortgage markets. Certain of these proposals have included expanded access to residential mortgage loan refinancing options, including refinancing options for borrowers who may be current on their existing mortgage loans and for borrowers whose current mortgage principal balance may exceed the current appraised value of the mortgaged property. Expanded refinancing access may also result from implementing the borrower assistance and remediation programs under the National Mortgage Settlement discussed above. Adopting proposals of this nature could result in increased mortgage refinancings, and greater reductions in interest rates and principal prepayments in BAC's mortgage portfolio than otherwise expected without those proposals. Reductions in interest rates and increases in mortgage prepayment speeds could adversely impact the value of BAC's MSR asset, cause a significant acceleration of purchase premium amortisation on BAC's mortgage portfolio, and adversely affect BAC's net interest margin. Conversely, increases in interest rates and unavailability of expanded refinancing access may result in a decrease in residential mortgage loan originations.

For additional information about interest rate risk management, see *Interest Rate Risk Management for Nontrading Activities* in the MD&A on page 117 of the BAC 2012 Annual Report.

Changes in the method of determining the London Interbank Offered Rate ("LIBOR") or other reference rates may adversely impact the value of debt securities and other financial instruments BAC holds or issues that are linked to LIBOR or other reference rates in ways that are difficult to

predict and could adversely impact BAC's financial condition or results of operations.

In recent years, concerns have been raised about the accuracy of the calculation of the daily LIBOR. The method for determining how LIBOR is formulated and its use in the market going forward may change, including, but not limited to, replacing the administrator of LIBOR, reducing the currencies and tenors for which LIBOR is calculated, and requiring banks to provide LIBOR submissions based on actual transaction data or otherwise changing the structure of LIBOR, each of which could impact the volatility of LIBOR. Similar changes may occur with respect to other reference rates. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would impact the value of any debt securities BAC holds or issues that are linked to LIBOR or other reference rates, or any loans, derivatives and other financial obligations or extensions of credit BAC holds or are due to BAC, or for which BAC is an obligor, that are linked to LIBOR or other reference rates, or whether, or to what extent, such changes would impact BAC's financial condition or results of operations.

Regulatory and Legal Risk

Bank regulatory agencies may require BAC to hold higher levels of regulatory capital, increase its regulatory capital ratios or increase liquidity, which could result in the need to issue additional securities that qualify as regulatory capital or to sell company assets.

BAC is subject to the Federal Reserve's risk-based capital guidelines. These guidelines establish regulatory capital requirements for banking institutions to meet minimum requirements as well as to qualify as a "well-capitalized" institution. If any of BAC's subsidiary insured depository institutions fail to maintain its status as "well-capitalized" under the applicable regulatory capital rules, the Federal Reserve will require BAC to agree to bring the insured depository institution or institutions back to "well-capitalized" status. For the duration of such an agreement, the Federal Reserve may impose restrictions on BAC's activities. If BAC was to fail to enter into such an agreement, or fail to comply with the terms of such agreement, the Federal Reserve may impose more severe restrictions on BAC's activities, including requiring BAC to cease and desist activities permitted under the Bank Holding Company Act of 1956.

It is possible that increases in regulatory capital requirements, changes in how regulatory capital is calculated or increases to liquidity requirements may cause the loss of BAC's "well-capitalized" status unless BAC increases its capital levels by issuing additional common stock, thus diluting BAC's existing shareholders, or by selling assets. On 20 December 2011, the Federal Reserve proposed rules relating to risk-based capital and leverage requirements, liquidity requirements, stress tests, single-counterparty credit limits and early remediation requirements. On 12 October 2012, the Federal Reserve issued final rules requiring covered entities to undergo annual stress tests conducted by the Federal Reserve and conduct their own "company-run" stress tests twice a year. Those rules, and the remaining rules, when finalised, are likely to influence BAC's regulatory capital and liquidity planning process, and may impose additional operational and compliance costs on BAC. Any requirement that BAC increase its regulatory capital, regulatory capital ratios or liquidity could cause BAC to sell certain assets, perhaps on terms unfavourable to BAC and contrary to its business plans. Such a requirement could also compel BAC to issue additional securities, which could dilute its current stockholders.

For additional information about the proposals described above and their potential effect on BAC's required levels of regulatory capital, see *Capital Management – Regulatory Capital* in the MD&A on page 70 of the BAC 2012 Annual Report.

Government measures to regulate the financial industry, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Financial Reform Act"), have increased and will continue to increase BAC's compliance and operating costs and could require BAC to change certain of its business practices, limit BAC's product offerings, limit BAC's ability to efficiently pursue business opportunities, require an increase to BAC's regulatory capital, impact asset values and reduce BAC's revenues.

As a financial institution, BAC is heavily regulated at the U.S. state, federal and international levels. Following the financial crisis and related global economic downturn, BAC has faced and expects to continue to face increased public and legislative scrutiny as well as stricter and more comprehensive regulation of its business. These regulatory and legislative measures, either individually, in

combination or in the aggregate, could require BAC to further change its business practices, impose additional costs on BAC, limit BAC's product offerings, limit BAC's ability to efficiently pursue business opportunities, require an increase in BAC's regulatory capital, impact asset values and reduce BAC's revenues.

Federal banking and securities regulatory agencies have proposed regulations under the Financial Reform Act to limit proprietary trading as well as the sponsorship of or investment in hedge funds and private equity funds (the "**Volcker Rule**"). The proposed regulations include clarifications to the definition of proprietary trading and distinctions between permitted and prohibited activities. Although the comment period for these proposed regulations has expired, the regulatory agencies have not finalised the Volcker Rule regulations.

The statutory provisions of the Volcker Rule became effective on 21 July 2012 and gave financial institutions two years from the effective date, with the possibility for extensions for certain investments, to bring activities and investments into compliance with the statutory provisions and final regulations. Although *Global Markets* exited its stand-alone proprietary trading business as of 30 June 2011 in anticipation of the Volcker Rule and to further BAC's initiative to optimise its balance sheet, the ultimate impact of the Volcker Rule on BAC remains uncertain as the regulations implementing the Volcker Rule are not final. However, based on the contents of the proposed regulations, it is possible the Volcker Rule implementation could limit or restrict BAC's remaining trading activities. If exemptions in the Volcker Rule and the proposed regulations are not available, the Volcker Rule could also limit or restrict BAC's ability to sponsor and hold ownership interests in hedge funds, private equity funds, commodity pools and other subsidiary operations. Additionally, the Volcker Rule could increase BAC's operational and compliance costs, reduce BAC's trading revenues, and adversely affect BAC's results of operations. The date on which final regulations will be issued is currently uncertain.

Additionally, the Financial Reform Act includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives; imposing new capital, margin, reporting, registration and business conduct requirements for certain market participants; and imposing position limits on certain OTC derivatives. The Financial Reform Act grants the Commodity Futures Trading Commission ("**CFTC**") and the SEC substantial new authority and requires numerous rulemakings by these agencies. Swap dealers conducting dealing activity with U.S. persons above a specified dollar threshold were required to register with the CFTC on or before 31 December 2012. Upon registration, swap dealers became subject to additional CFTC rules relating to business conduct and reporting, and will continue to become subject to additional CFTC rules as and when such rules take effect.

The Financial Reform Act required regulators to promulgate the rulemakings necessary to implement these regulations by 16 July 2011. However, the rulemaking process was not completed as of that date, and is not expected to conclude until well into 2013. Further, the regulators granted temporary relief from certain requirements that would have taken effect on 16 July 2011 absent any rulemaking. The SEC temporary relief is effective until final rules relevant to each requirement become effective. The CFTC temporary relief largely expired on 31 December 2012. The CFTC also granted relief from some of the rules that would have become effective during the fourth quarter of 2012, either completely suspending or delaying the application of some requirements.

While the CFTC has provided temporary exemptive relief from application of derivatives requirements of the Financial Reform Act for certain non-U.S. derivatives activity, there remains some uncertainty as to how the derivatives requirements of the Financial Reform Act will apply to non-U.S. derivatives activity because the CFTC has not yet adopted final cross-border guidance. The CFTC has completed much of its other rulemakings, with the exception of final margin, capital and exchange trading rules, while the SEC has finalised a small number of clearing-related rules. The ultimate impact of the derivatives regulations that have not yet been finalised and the time it will take to comply remain uncertain. The final regulations will impose additional operational and compliance costs on BAC and may require BAC to restructure certain businesses and may negatively impact its results of operations.

In April 2011, a new Financial Reform Act regulation became effective implementing revisions to the Federal Deposit Insurance Corporation's ("**FDIC**") assessment system that increased BAC's FDIC expense. In addition, the FDIC has broad discretionary authority to increase assessments on large and highly complex institutions on a case by case basis. Any future increases in required deposit insurance premiums or other bank industry fees could have an adverse impact on BAC's financial condition and

results of operations.

The Financial Reform Act established an orderly liquidation process in the event of the failure of a large systemically important financial institution. Specifically, when a systemically important financial institution such as BAC is in default or danger of default, the FDIC may be appointed receiver in order to conduct an orderly liquidation of such systemically important financial institution. In the event of such appointment, the FDIC could invoke a new form of resolution authority, the orderly liquidation authority, instead of the U.S. Bankruptcy Code, if the Secretary of the Treasury makes certain financial distress and systemic risk determinations. Macroprudential systemic protection is the primary objective of the orderly liquidation authority, subject to minimum threshold protections for creditors. Accordingly, in certain circumstances under the orderly liquidation authority, the FDIC could permit payment of obligations it determines to be systemically significant (e.g., short-term creditors or operating creditors) in lieu of paying other obligations (e.g., long-term creditors) without the need to obtain creditors' consent or prior court review. The insolvency and resolution process could also lead to a large reduction or total elimination of the value of a bank holding company's outstanding equity. For example, the FDIC could follow a "single point of entry" approach and replace a distressed bank holding company with a bridge holding company, which could continue operations and result in an orderly resolution of the underlying bank, but whose equity is held solely for the benefit of creditors of the original bank holding company. Additionally, under the orderly liquidation authority, amounts owed to the U.S. government generally receive a statutory payment priority.

In addition, under the Financial Reform Act, all bank holding companies with assets of \$50 billion or more are required to develop and submit resolution plans to the FDIC and the Federal Reserve, who will review such plans to determine whether they are credible. If the FDIC and the Federal Reserve determine that BAC's plan is not credible and BAC fails to cure the deficiencies in a timely manner, the FDIC and the Federal Reserve may jointly impose more stringent capital, leverage or liquidity requirements or restrictions on growth, activities or operations of BAC. BAC could be required to take certain actions that could impose operational costs and could potentially result in the divestiture or restructuring of certain businesses and subsidiaries. BAC submitted its initial plan in 2012, which is to be updated annually.

Similarly, in the U.K., the Financial Services Authority ("FSA") has issued proposed rules requiring the submission of significant information about certain U.K. incorporated subsidiaries and other financial institutions, as well as branches of non-U.K. banks located in the U.K., (including information on intra-group dependencies, legal entity separation and barriers to resolution) to allow the FSA to develop resolution plans. As a result of the FSA review, BAC could be required to take certain actions over the next several years which could impose operational costs and potentially result in the restructuring of certain businesses and subsidiaries.

The Financial Reform Act established the Consumer Financial Protection Bureau ("CFPB"), which principally regulates the offering of consumer financial products or services under federal consumer financial laws, and which has commenced its supervisory oversight. Through its rulemaking authority, the CFPB has promulgated several proposed and final rules that will affect BAC's consumer businesses, including, but not limited to, establishing enhanced underwriting standards and new mortgage loan servicing standards. The CFPB has also proposed rules addressing items such as remittance transfer services, appraisal requirements and loan originator compensation requirements. BAC is evaluating the various CFPB rules and proposals and devoting substantial compliance, legal and operational business resources to facilitate compliance with these rules by their respective effective dates. BAC cannot predict the ultimate impact on BAC of the final and proposed CFPB rules, due to, among other things, uncertainty created by a recent court decision invalidating appointments to the U.S. National Labor Relations Board by President Obama, which, if upheld and applied to similar appointments to the CFPB, could call into question the validity of certain actions by the CFPB or result in the subsequent invalidation of such rules; however, it is possible that the final and proposed rules could have a significant adverse impact on BAC's results of operations.

On 20 December 2011, the Federal Reserve issued proposed rules to implement enhanced supervisory and prudential requirements and the early remediation requirements established under the Financial Reform Act. The enhanced standards include risk-based capital and leverage requirements, liquidity standards, requirements for overall risk management, single-counterparty credit limits, stress test requirements and a debt-to-equity limit for certain companies determined to pose a threat to financial stability. On 12 October 2012, the Federal Reserve issued final rules requiring covered entities to

undergo annual stress tests conducted by the Federal Reserve and conduct their own "company-run" stress tests twice a year. Final regulations addressing the remaining items have not yet been adopted. The final rules are likely to influence BAC's regulatory capital and liquidity planning process, and may impose additional operational and compliance costs on BAC.

Many of the provisions under the Financial Reform Act have only begun to be implemented or remain to be implemented in the future and will be subject both to further rulemaking and the discretion of applicable regulatory bodies. The Financial Reform Act will continue to impact BAC's earnings through fee reductions, higher costs and imposition of new restrictions on BAC. The Financial Reform Act may also continue to have a material adverse impact on the value of certain assets and liabilities held on BAC's balance sheet. The ultimate impact of the Financial Reform Act on BAC's business will depend on regulatory interpretation and rulemaking, as well as the success of any of BAC's actions to mitigate the negative impacts of certain provisions.

In December 2010, the Basel Committee on Banking Supervision ("**Basel Committee**") issued "Basel 3: A global regulatory framework for more resilient banks and banking systems" and "International framework for liquidity risk measurement, standards and monitoring" (together, "**Basel 3**"). If implemented by U.S. banking regulators as proposed, Basel 3's capital standards could significantly increase BAC's capital requirements. Basel 3 and the Financial Reform Act propose the disqualification of trust preferred securities from Tier 1 capital, with the Financial Reform Act proposing that the disqualification be phased in from 2013 to 2015. Basel 3 also proposes the deduction of certain assets from capital (deferred tax assets, MSRs, investments in financial firms and pension assets, among others, within prescribed limitations), the inclusion of accumulated other comprehensive income ("**OCI**") in capital, increased capital requirements for counterparty credit risk, and new minimum capital and buffer requirements.

Basel 3 also proposes two minimum liquidity risk measures. The liquidity coverage ratio ("**LCR**") measures the amount of a financial institution's unencumbered, high-quality, liquid assets relative to the net cash outflows the institution could encounter under a significant 30-day stress scenario. The net stable funding ratio ("**NSFR**") measures the amount of longer-term, stable sources of funding employed by a financial institution relative to the liquidity profiles of the assets funded and the potential for contingent calls on funding liquidity arising from off-balance sheet commitments and obligations over a one-year period. The Basel Committee announced in January 2013 that the initial minimum LCR requirement of 60 per cent. will be implemented in January 2015, and will thereafter increase in 10 per cent. annual increments through January 2019. The Basel Committee is currently reviewing the NSFR and has indicated that it intends for the requirement to be implemented by January 2018, following an observation period that is currently underway.

On 19 July 2011, the Basel Committee published the consultative document, "Globally systemic important banks: Assessment methodology and the additional loss absorbency requirement," which sets out measures for global, systemically important financial institutions including the methodology for measuring systemic importance, the systemically important financial institution buffer and the arrangements by which they will be phased in. As proposed, the systemically important financial institution buffer would be met with additional Tier 1 common equity ranging from one per cent. to 2.5 per cent., and in certain circumstances, 3.5 per cent. This will be phased in from 2016 through 2018. As of 31 December 2012, BAC estimates its systemically important financial institution buffer would have been 1.5 per cent., based on the Financial Stability Board's "Update of group of global systemically important banks" issued on 1 November 2012.

Preparation for Basel 3 has influenced and is likely to continue to influence BAC's regulatory capital and liquidity planning process, and is expected to impose additional operational and compliance costs on BAC. Any requirement that BAC increase the amount, or change the composition, of its regulatory capital or liquidity may have a material adverse impact on BAC. These impacts could include, but are not limited to, potential dilution of existing stockholders, increased funding costs and competitive disadvantage compared to financial institutions not under the same regulatory framework.

For additional information about the regulatory initiatives discussed above, see Regulatory Matters in the MD&A on page 64 of the BAC 2012 Annual Report.

Changes in the structure of the GSEs and the relationship among the GSEs, the government and the private markets, or the conversion of the current conservatorship of the GSEs into receivership,

could result in significant changes to BAC's business operations and may adversely impact BAC's business.

During the last ten years, BAC has sold over \$2.0 trillion of loans to the GSEs. Each GSE is currently in a conservatorship, with its primary regulator, the Federal Housing Finance Agency, acting as conservator. BAC cannot predict if, when or how the conservatorships will end, or any associated changes to the GSEs' business structure that could result. BAC also cannot predict whether the conservatorships will end in receivership. There are several proposed approaches to reform the GSEs which, if enacted, could change the structure of the GSEs and the relationship among the GSEs, the government and the private markets, including the trading markets for agency conforming mortgage loans and markets for mortgage-related securities in which BAC participates. BAC cannot predict the prospects for the enactment, timing or content of legislative or rulemaking proposals regarding the future status of the GSEs. Accordingly, there continues to be uncertainty regarding the future of the GSEs, including whether they will continue to exist in their current form.

BAC is subject to significant financial and reputational risks from potential legal liability and regulatory action.

BAC faces significant legal risks in its business, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against BAC and other financial institutions remain high and are increasing. Increased litigation costs, substantial legal liability or significant regulatory action against BAC could have material adverse effects on BAC's financial condition and results of operations or cause significant reputational harm to BAC, which in turn could adversely impact its business prospects. In addition, BAC continues to face increased litigation risk and regulatory scrutiny. BAC continues to experience increased litigation and other disputes with counterparties regarding relative rights and responsibilities. Consumers, clients and other counterparties have grown more litigious. BAC's experience with certain regulatory authorities suggests a migration towards an increasing supervisory focus on enforcement, including in connection with alleged violations of law and customer harm. The current environment of additional regulation, increased regulatory compliance burdens, and enhanced regulatory enforcement, combined with ongoing uncertainty related to the continuing evolution of the regulatory environment, has resulted in significant operational and compliance costs and may limit BAC's ability to continue providing certain products and services.

For a further discussion of litigation risks, see *Note 13 – Commitments and Contingencies* to the Consolidated Financial Statements of the BAC 2012 Annual Report.

BAC's business prospects are vulnerable to changes in governmental fiscal and monetary policy.

BAC's businesses and earnings are affected by domestic and international fiscal and monetary policy. The Federal Reserve regulates the supply of money and credit in the U.S. and its policies affect BAC's cost of funds for lending, investing and capital raising activities and the return BAC earns on those loans and investments, both of which affect BAC's net interest margin. The Federal Reserve's actions also can affect the value of financial instruments and other assets, such as debt securities and MSRs, and its policies also can affect BAC's borrowers, potentially increasing the risk that they may fail to repay their loans. BAC's businesses and earnings are also affected by the fiscal or other policies that are adopted by the U.S. government, various U.S. regulatory authorities, and non-U.S. governments and regulatory authorities. Changes in domestic and international fiscal and monetary policies are beyond BAC's control and difficult to predict but could have an adverse impact on BAC's capital requirements and the costs of running BAC's business.

BAC may be adversely affected by changes in U.S. and non-U.S. tax and other laws and regulations.

The U.S. Congress and the U.S. Presidential Administration have signaled interest in reforming the U.S. corporate income tax code. Possible approaches include lowering the 35 per cent. corporate tax rate, modifying the taxation of income earned outside the U.S. and limiting or eliminating various other deductions, tax credits and/or other tax preferences. It is not possible at this time to quantify either the one-time impact from remeasuring deferred tax assets and liabilities that might result upon tax reform enactment or the ongoing impact reform might have on income tax expense.

In addition, income from certain non-U.S. subsidiaries has not been subject to U.S. income tax as a

result of long-standing deferral provisions applicable to income that is derived in the active conduct of a banking and financing business abroad (active finance income). The U.S. Congress has extended the application of these deferral provisions several times, most recently in January 2013. These provisions now are set to expire for taxable years beginning on or after 1 January 2014. Absent an extension of these provisions, active financing income earned by certain non-U.S. subsidiaries will generally be subject to a tax provision that considers incremental U.S. income tax. The impact of the expiration of these provisions would depend upon the amount, composition and geographic mix of BAC's future earnings.

Other countries have also proposed and adopted certain regulatory changes targeted at financial institutions or that otherwise affect BAC. The EU has adopted increased capital requirements and the U.K. has (i) increased liquidity requirements for local financial institutions, including regulated U.K. subsidiaries of non-U.K. bank holding companies and other financial institutions as well as branches of non-U.K. banks located in the U.K.; (ii) adopted a Bank Levy which will apply to the aggregate balance sheet of branches and subsidiaries of non-U.K. banks and banking groups operating in the U.K.; and (iii) proposed the creation and production of recovery and resolution plans by U.K.-regulated entities.

On 17 July 2012, the U.K. 2012 Finance Bill was enacted which reduced the corporate income tax rate one per cent. to 24 per cent. beginning on 1 April 2012, and then to 23 per cent. beginning on 1 April 2013. These rate reductions favourably affect income tax expense on future U.K. earnings but also required BAC to remeasure its U.K. net deferred tax assets using the lower tax rates. The income tax benefit for 2012 included a \$788 million charge for the remeasurement, substantially all of which was recorded in Global Markets. If the corporate income tax rate were to be reduced to 21 per cent. by 2014 as suggested in U.K. Treasury announcements and assuming no change in the deferred tax asset balance, a charge to income tax expense of approximately \$400 million for each one per cent. reduction in the rate would result in each period of enactment (for a total of approximately \$800 million). BAC is also monitoring other international legislative proposals that could impact BAC, such as changes to corporate income tax laws. Currently, in the U.K., NOL carryforwards have an indefinite life. Were the U.K. taxing authorities to introduce limitations on the future utilisation of NOLs and were BAC unable to document its continued ability to fully utilise its NOLs, BAC would be required to establish a valuation allowance by a charge to income tax expense.

Risk of the Competitive Environment in which BAC Operates

BAC faces significant and increasing competition in the financial services industry.

BAC operates in a highly competitive environment. Over time, there has been substantial consolidation among companies in the financial services industry, and this trend accelerated in recent years. This trend has also hastened the globalisation of the securities and financial services markets. BAC will continue to experience intensified competition as consolidation in and globalisation of the financial services industry may result in larger, better-capitalised and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices. To the extent it expands into new business areas and new geographic regions, BAC may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect its ability to compete. In addition, technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions to compete with technology companies in providing electronic and internet-based financial solutions. Increased competition may negatively affect BAC's earnings by creating pressure to lower prices on BAC's products and services and/or reducing market share.

Damage to BAC's reputation could significantly harm BAC's businesses, including BAC's competitive position and business prospects.

BAC's ability to attract and retain customers, clients, investors and employees is impacted by BAC's reputation. BAC continues to face increased public and regulatory scrutiny resulting from the financial crisis and economic downturn as well as alleged irregularities in servicing, foreclosure, consumer collections, mortgage loan modifications and other practices, compensation practices, BAC's acquisitions of Countrywide and Merrill Lynch and the suitability or reasonableness of recommending particular trading or investment strategies.

Significant harm to BAC's reputation can also arise from other sources, including employee misconduct, unethical behaviour, litigation or regulatory outcomes, failing to deliver minimum or required standards of service and quality, compliance failures, unintended disclosure of confidential information, and the activities of BAC's clients, customers and counterparties, including vendors. Actions by the financial services industry generally or by certain members or individuals in the industry also can significantly adversely affect BAC's reputation.

BAC is subject to complex and evolving laws and regulations regarding privacy, data protections and other matters. Principles concerning the appropriate scope of consumer and commercial privacy vary considerably in different jurisdictions, and regulatory and public expectations regarding the definition and scope of consumer and commercial privacy may remain fluid in the future. It is possible that these laws may be interpreted and applied by various jurisdictions in a manner inconsistent with BAC's current or future practices, or that is inconsistent with one another. BAC faces regulatory, reputational and operational risks if personal, confidential or proprietary information of customers or clients in BAC's possession is mishandled or misused.

BAC could suffer significant reputational harm if it fails to properly identify and manage potential conflicts of interest. Management of potential conflicts of interests has become increasingly complex as BAC expands its business activities through more numerous transactions, obligations and interests with and among BAC's clients. The failure to adequately address, or the perceived failure to adequately address, conflicts of interest could affect the willingness of clients to deal with BAC, or give rise to litigation or enforcement actions, which could adversely affect BAC's businesses.

BAC's actual or perceived failure to address these and other issues gives rise to reputational risk that could cause significant harm to BAC and its business prospects, including failure to properly address operational risks. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions, legal risks and reputational harm, which could, among other consequences, increase the size and number of litigation claims and damages asserted or subject BAC to enforcement actions, fines and penalties and cause BAC to incur related costs and expenses.

BAC's ability to attract and retain qualified employees is critical to the success of its business and failure to do so could hurt BAC's business prospects and competitive position.

BAC's performance is heavily dependent on the talents and efforts of highly skilled individuals. Competition for qualified personnel within the financial services industry and from businesses outside the financial services industry has been, and is expected to continue to be, intense. BAC's competitors include non-U.S.-based institutions and institutions subject to different compensation and hiring regulations than those imposed on U.S. institutions and financial institutions. The difficulty BAC faces in competing for key personnel is exacerbated in emerging markets, where BAC is often competing for qualified employees with entities that may have a significantly greater presence or more extensive experience in the region.

In order to attract and retain qualified personnel, BAC must provide market-level compensation. As a large financial and banking institution, BAC may be subject to limitations on compensation practices (which may or may not affect BAC's competitors) by the Federal Reserve, the FDIC or other regulators around the world. Any future limitations on executive compensation imposed by legislation or regulation could adversely affect BAC's ability to attract and maintain qualified employees. Furthermore, a substantial portion of BAC's annual incentive compensation paid to BAC's senior employees has in recent years taken the form of long-term equity awards. Therefore, the ultimate value of this compensation depends on the price of BAC's common stock when the awards vest. If BAC is unable to continue to attract and retain qualified individuals, BAC's business prospects and competitive position could be adversely affected.

In addition, if BAC fails to retain the wealth advisors that it employs in *Global Wealth & Investment Management* ("*GWIM*"), particularly those with significant client relationships, such failure could result in a significant loss of clients or the withdrawal of significant client assets.

BAC may not be able to achieve expected cost savings from cost-saving initiatives, including from Project New BAC, or in accordance with currently anticipated time frames.

BAC is currently engaged in numerous efforts to achieve certain cost savings, including, among other

things, Project New BAC.

Project New BAC is a two-phase, enterprise-wide initiative to simplify and streamline workflows and processes, align businesses and costs more closely with BAC's overall strategic plan and operating principles, and increase revenues. Phase 1 focuses on the consumer businesses, including Deposits, Card Services and *Consumer Real Estate Services ("CRES")*, and related support, technology and operations functions. Phase 2 focuses on *Global Banking, Global Markets and GWIM*, and related support, technology and operations functions not subject to evaluation in Phase 1. All aspects of Phase 1 of Project New BAC are currently expected to be implemented by the end of 2013, with the full cost savings impact expected to be realised in 2014, while Phase 2 is expected to be fully implemented by mid-2015.

BAC may be unable to fully realise the cost savings and other anticipated benefits from its cost saving initiatives or in accordance with currently anticipated timeframes.

BAC's inability to adapt its products and services to evolving industry standards and consumer preferences could harm BAC's business.

BAC's business model is based on a diversified mix of business that provides a broad range of financial products and services, delivered through multiple distribution channels. BAC's success depends on its ability to adapt its products and services to evolving industry standards. There is increasing pressure by competitors to provide products and services at lower prices. This can reduce BAC's net interest margin and revenues from BAC's fee-based products and services. In addition, the widespread adoption of new technologies, including internet services, could require BAC to incur substantial expenditures to modify or adapt its existing products and services. BAC might not be successful in developing or introducing new products and services, responding or adapting to changes in consumer spending and saving habits, achieving market acceptance of its products and services, or sufficiently developing and maintaining loyal customers.

Risks Related to Risk Management

BAC's risk management framework may not be effective in mitigating risk and reducing the potential for significant losses.

BAC's risk management framework is designed to minimise risk and loss to BAC. BAC seeks to identify, measure, monitor, report and control its exposure to the types of risk to which BAC is subject, including strategic, credit, market, liquidity, compliance, operational and reputational risks, among others. While BAC employs a broad and diversified set of risk monitoring and mitigation techniques, those techniques are inherently limited because they cannot anticipate the existence or future development of currently unanticipated or unknown risks. Recent economic conditions, heightened legislative and regulatory scrutiny of the financial services industry and increases in the overall complexity of BAC's operations, among other developments, have resulted in a heightened level of risk for BAC. Accordingly, BAC could suffer losses as a result of its failure to properly anticipate and manage these risks.

For additional information about BAC's risk management policies and procedures, see Managing Risk in the MD&A on page 66 of the BAC 2012 Annual Report.

A failure in or breach of BAC's operational or security systems or infrastructure, or those of third parties with which BAC does business, including as a result of cyber attacks, could disrupt BAC's businesses, result in the disclosure or misuse of confidential or proprietary information, damage BAC's reputation, increase BAC's costs and cause losses.

BAC's businesses are highly dependent on BAC's ability to process, record and monitor, on a continuous basis, a large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. The potential for operational risk exposure exists throughout BAC's organisation and is not limited to operations functions. Operational risk exposures can impact BAC's results of operations, such as losses resulting from unauthorised trades by employees, and their impact may extend beyond financial losses.

Integral to BAC's performance is the continued efficacy of BAC's internal processes, systems, relationships with third parties and the vast array of employees and key executives in BAC's day-to-day

and ongoing operations. With regard to the physical infrastructure and systems that support its operations, BAC has taken measures to implement backup systems and other safeguards, but its ability to conduct business may be adversely affected by any significant and widespread disruption to BAC's infrastructure or systems. BAC's financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond BAC's control and adversely affect BAC's ability to process these transactions or provide these services. There could be sudden increases in customer transaction volume; electrical or telecommunications outages; natural disasters such as earthquakes, tornadoes and hurricanes; disease pandemics; events arising from local or larger scale political or social matters, including terrorist acts; and cyber attacks. BAC continuously updates these systems to support its operations and growth. This updating entails significant costs and creates risks associated with implementing new systems and integrating them with existing ones.

Information security risks for large financial institutions like BAC have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organised crime, hackers, terrorists and other external parties, including foreign state actors. BAC's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in BAC's computer systems and networks. BAC's banking, brokerage, investment advisory and capital markets businesses rely on BAC's digital technologies, computer and email systems, software, and networks to conduct their operations. In addition, to access BAC's products and services, BAC's customers may use personal smartphones, PCs and other computing devices, tablet PCs and other mobile devices that are beyond BAC's control systems. BAC's technologies, systems, networks and BAC's customers' devices have been subject to, and are likely to continue to be the target of, cyber attacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of BAC's or BAC's customers' confidential, proprietary and other information, or otherwise disrupt BAC's or BAC's customers' or other third parties' business operations. For example, BAC's websites have been subject to a series of distributed denial of service cyber security incidents. Although these incidents have not had a material impact on BAC, nor have they resulted in unauthorised access to BAC's or BAC's customers' confidential, proprietary or other information, because of its prominence, BAC believes that such incidents may continue.

Although to date BAC has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that BAC will not suffer such losses in the future. BAC's risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, BAC's prominent size and scale and BAC's role in the financial services industry, BAC's plans to continue to implement its Internet banking and mobile banking channel strategies and develop additional remote connectivity solutions to serve its customers when and how they want to be served, BAC's expanded geographic footprint and international presence, the outsourcing of some of BAC's business operations, the continued uncertain global economic environment, threats of cyberterrorism, and system and customer account conversions. As a result, cybersecurity and the continued development and enhancement of BAC's controls, processes and practices designed to protect BAC's systems, computers, software, data and networks from attack, damage or unauthorised access remain a priority for BAC. As cyber threats continue to evolve, BAC may be required to expend significant additional resources to continue to modify or enhance BAC's protective measures or to investigate and remediate any information security vulnerabilities.

In addition, BAC also faces the risk of operational failure, termination or capacity constraints of any of the third parties with which it does business or that facilitate BAC's business activities, including clearing agents, exchanges, clearing houses or other financial intermediaries BAC uses to facilitate its securities transactions. In recent years, there has been significant consolidation among clearing agents, exchanges and clearing houses and increased interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. This consolidation and interconnectivity increases the risk of operational failure, on both individual and industry-wide bases, as disparate complex systems need to be integrated, often on an accelerated basis. Any such failure, termination or constraint could adversely affect BAC's ability to effect transactions, service BAC's clients, manage BAC's exposure to risk or expand BAC's businesses, and could have an adverse impact on BAC's liquidity, financial condition and results of operations.

Disruptions or failures in the physical infrastructure or operating systems that support BAC's

businesses and customers, or cyber attacks or security breaches of the networks, systems or devices that BAC's customers use to access BAC's products and services could result in the loss of customers and business opportunities, significant business disruption to BAC's operations and business, misappropriation of BAC's confidential information and/or that of its customers, or damage to BAC's computers or systems and/or those of its customers and/or counterparties, and could result in violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in BAC's security measures, reputational damage, reimbursement or other compensatory costs, and additional compliance costs.

For more information on operational risks and BAC's operational risk management, see Operational Risk Management in the MD&A on page 120 of the BAC 2012 Annual Report.

Risk of Being an International Business

BAC is subject to numerous political, economic, market, reputational, operational, legal, regulatory and other risks in the non-U.S. jurisdictions in which it operates.

BAC does business throughout the world, including in developing regions of the world commonly known as emerging markets. BAC's businesses and revenues derived from non-U.S. jurisdictions are subject to risk of loss from currency fluctuations, social or judicial instability, changes in governmental policies or policies of central banks, expropriation, nationalisation and/or confiscation of assets, price controls, capital controls, exchange controls, other restrictive actions, unfavourable political and diplomatic developments, and changes in legislation. These risks are especially acute in emerging markets. Many non-U.S. jurisdictions in which BAC does business have been negatively impacted by recessionary conditions. While a number of these jurisdictions are showing signs of recovery, others continue to experience increasing levels of stress. In addition, the increasing potential risk of default on sovereign debt in some non-U.S. jurisdictions could expose BAC to substantial losses. Risks in one country can affect BAC's operations in another country or countries, including BAC's operations in the U.S. As a result, any such unfavourable conditions or developments could have an adverse impact on BAC.

BAC's non-U.S. businesses are also subject to extensive regulation by various non-U.S. regulators, including governments, securities exchanges, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate. In many countries, the laws and regulations applicable to the financial services and securities industries are uncertain and evolving, and it may be difficult for BAC to determine the exact requirements of local laws in every market or manage BAC's relationships with multiple regulators in various jurisdictions. BAC's inability to remain in compliance with local laws in a particular market and manage its relationships with regulators could have an adverse effect not only on BAC's businesses in that market but also on its reputation generally.

BAC also invests or trades in the securities of corporations and governments located in non-U.S. jurisdictions, including emerging markets. Revenues from the trading of non-U.S. securities may be subject to negative fluctuations as a result of the above factors. Furthermore, the impact of these fluctuations could be magnified, because non-U.S. trading markets, particularly in emerging market countries, are generally smaller, less liquid and more volatile than U.S. trading markets.

In addition to non-U.S. legislation, BAC's international operations are also subject to U.S. legal requirements. For example, BAC's international operations are subject to U.S. laws on foreign corrupt practices, the Office of Foreign Assets Control, and anti-money laundering regulations. Additionally, BAC is subject to Section 13(r) of the Securities Exchange Act of 1934, which requires a registrant to provide disclosure in its periodic reports and file a notice with the SEC if it or its affiliates knowingly engage in certain activities identified under the Iran Threat Reduction and Syria Human Rights Act of 2012. The SEC is required to report any such disclosure to the U.S. President and certain U.S. Congressional committees. The U.S. President thereafter is required to initiate an investigation into the reported activity and, within 180 days of initiating such an investigation, determine whether sanctions should be imposed. If BAC is required to report any such activities, whether or not any sanctions are actually imposed on BAC or its affiliates as a result of these activities, BAC's reputation could be harmed and its results of operations could be adversely impacted.

BAC is subject to geopolitical risks, including acts or threats of terrorism, and actions taken by the U.S. or other governments in response thereto and/or military conflicts, that could adversely affect business

and economic conditions abroad as well as in the U.S.

For more information on BAC's non-U.S. credit and trading portfolios, see Non-U.S. Portfolio in the MD&A on page 105 of the BAC 2012 Annual Report.

Risk from Accounting Changes

Changes in accounting standards or inaccurate estimates or assumptions in applying accounting policies could adversely affect BAC.

BAC's accounting policies and methods are fundamental to how BAC records and reports its financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported value of BAC's assets or liabilities and results of operations and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. If those assumptions, estimates or judgments were incorrectly made, BAC could be required to correct and restate prior period financial statements. Accounting standard-setters and those who interpret the accounting standards (such as the Financial Accounting Standards Board ("FASB"), the SEC, banking regulators and BAC's independent registered public accounting firm) may also amend or even reverse their previous interpretations or positions on how various standards should be applied. These changes may be difficult to predict and could impact how BAC prepares and reports its financial statements. In some cases, BAC could be required to apply a new or revised standard retroactively, resulting in BAC needing to revise and republish prior period financial statements.

The FASB issued on 20 December 2012 a proposed standard on accounting for expected credit losses. The standard would replace multiple existing impairment models, including replacing an "incurred loss" model for loans with an "expected credit loss" model. The FASB announced it will establish the effective date when it issues the final standard. BAC cannot predict whether or when a final standard will be issued, when it will be effective or what its final provisions will be. It is possible that the final standard could have a material adverse impact on BAC's results of operations once it is issued and becomes effective.

For more information on some of BAC's critical accounting policies and standards and recent accounting changes, see Complex Accounting Estimates in the MD&A on page 121 and *Note 1 – Summary of Significant Accounting Principles* to the Consolidated Financial Statements, each of the BAC 2012 Annual Report.

Risks relating to Securities generally

Investors risk losing all of their investment in the Securities

Potential investors should be aware that depending on the terms of the relevant Securities (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principally protected Securities, they may lose all or a substantial portion of their investment if the value of the Underlying Asset(s) does not move in the anticipated direction.

Investors in Securities which are principal protected may still be subject to loss of some or all of their investment if the relevant Issuer and BAC are subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of each to meet its obligations under the Securities. An investor may also lose some or all of its investment if it seeks to sell the relevant Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market is less than the initial investment or the relevant Securities are subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid or asset(s) to be delivered upon redemption being reduced to or being valued at an amount less than an investor's initial investment.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with amounts payable in one or more currencies, or where the Settlement Currency or Specified Currency of the Securities is different from the potential investor's currency;
- (d) have knowledge of and access to appropriate analytical resources to analyse quantitatively the effect (or value) of any redemption, cap, floor, or other features of the Securities, and the resulting impact upon the value of the Securities;
- (e) understand thoroughly the terms of the Securities and be familiar with any relevant indices and financial markets; and
- (f) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. A potential investor should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how such Securities will perform under changing conditions, the resulting effects on the value of those Securities and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, an investment in Index Linked Securities, Share Linked Securities, GDR/ADR Linked Securities or Fund Linked Securities ("**Underlying Asset Linked Securities**"), may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "Risks related to the structure of a particular issue of Securities" set out below.

The Securities are unsecured obligations

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the relevant Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness or obligations, as applicable, of the relevant Issuer.

The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

Since BAC is a holding company, the right of BAC, and hence the right of creditors of BAC (including the Holders), to participate in any distribution of the assets of any subsidiary (including each Issuer) upon its liquidation or reorganisation or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of BAC itself as a creditor of the subsidiary may be recognised. In addition, dividends, loans and advances from certain subsidiaries to BAC are restricted by net capital requirements under the Exchange Act and under the rules of certain exchanges and other regulatory bodies.

The yield on the Securities may be less than the yield on a conventional debt security of comparable maturity

Any yield that an investor may receive on the Securities, which could be negative, may be less than the return an investor would earn if the investor purchased a conventional debt security with the same maturity date. As a result, an investment in the Securities may not reflect the full opportunity cost to an investor when factors that affect the time value of money are considered.

Movements in the level or price of an Underlying Asset will affect the performance of the Securities

The level or price of the Underlying Asset may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level or price of the Underlying Asset. This may affect the actual yield to investors, even if the average level or price of the Underlying Asset during the life of the Securities is consistent with investors' expectations. In general, the earlier the change in the level or price of the Underlying Asset, the greater the effect on the yield of the Securities.

Leverage will magnify the effect of changes in the Underlying Asset

If the formula used to determine any amount payable and/or non-cash consideration deliverable contains a multiplier or leverage factor, then the percentage change in the value of the Security will be greater than any positive and/or negative performance of the Underlying Asset(s). Any Securities which include such multiplier or leverage factor represent a very speculative and risky form of investment since any change in the value of the Underlying Asset(s) carries the risk of a correspondingly higher change in the value of the Securities.

A postponement of valuation or determination due to a Market Disruption Event and Disrupted Day may have an adverse effect on the value of the Securities

If the Securities include provisions dealing with the occurrence of a Market Disruption Event or a failure of an exchange or related exchange to open on a Valuation Date, an Averaging Date or a Pricing Date and the Calculation Agent determines that a Market Disruption Event or such failure has occurred or exists on any relevant date, any consequential postponement of the relevant date or any alternative provisions for valuation provided in the Securities may have an adverse effect on the value of the Securities or of any amounts payable under the Securities.

The occurrence of a Payment Disruption Event may lead to a delayed and/or reduced payment

If a Payment Disruption Event is applicable to a Security, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that an event that (i) prevents, restricts or delays the relevant Issuer from converting or delivering relevant currencies, (ii) imposes capital controls, or (iii) implements changes to laws relating to foreign investments (a "Payment Disruption Event") has occurred or is likely to occur, then either (a) the relevant exercise or payment date (as applicable) in respect of the Securities or (b) the relevant Issuer's obligation to make a payment in respect of such exercise or payment date may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Holders) after the date on which the Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Securities will result from such postponement. Partial payments or physical delivery of Shares in lieu of cash settlement of Share Linked Securities may, in the relevant Issuer's sole discretion, be made during such period (after deduction for any expenses). In the event that a Payment Disruption Event is still continuing on the date which is one year after the last date on which amounts are due under the Securities (or in the case of Saudi Share Linked Warrants, the earlier of (x) one year after the last date on which amounts are due under the Securities and (y) four years after the Trade Date) (the "Payment Event Cut-off Date"), then (1) such final payment date shall be extended to the Payment Event Cut-off Date and (2) the remaining amounts payable under the Securities shall be deemed to be zero and the relevant Issuer shall have no obligations whatsoever under the Securities. Therefore, in a case where Payment Disruption Event is specified as applicable in the applicable Final Terms, the Holder could lose all or part of its investment in the Securities.

In the event that the relevant Issuer satisfies its obligation to make a cash payment by the delivery of Shares following the occurrence of a Payment Disruption Event, Holders may be unable to sell such Shares, or may be unable to sell them at a price equal to the cash payment that would have been payable but for the occurrence of the Payment Disruption Event.

The occurrence of a CNY Payment Disruption Event may lead to a delayed and/or reduced payment or payment in another currency

If a CNY Payment Disruption Event is applicable to a Security, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that any of the

following events has occurred or is likely to occur: (i) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Securities in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), (ii) an event that makes it impossible or impractical for the Issuer to deliver CNY between accounts inside the relevant CNY Settlement Centre(s) or from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s), or (iii) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Securities (each, a **"CNY Payment Disruption Event"**), then either (a) the relevant exercise or payment date (as applicable) in respect of the Securities, or (b) the relevant Issuer's obligation to make a payment in respect of such exercise or payment date, may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Holders) after the date on which the CNY Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Securities will result from such postponement. In the event that a CNY Payment Disruption Event is still continuing on the Payment Event Cut-off Date, then (1) such final payment date shall be extended to the Payment Event Cut-off Date and (2) the remaining amounts payable under the Securities shall be deemed to be zero and the relevant Issuer shall have no obligations whatsoever under the Securities. Therefore, in a case where a CNY Payment Disruption Event is relevant as specified in the applicable Final Terms, the Holder could lose all or part of its investment in the Securities. If "Payment of Equivalent Amount" is applicable to a Security, as specified in the applicable Final Terms, the relevant Issuer may make payment of the equivalent amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount, Additional Amount, Cash Settlement Amount or other amount payable under the Securities in another currency as specified in the applicable Final Terms.

Risks relating to Securities denominated in CNY

All payments in CNY under the Securities will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Centre in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the Securities. The relevant Issuer shall not be required to make payment by any other means (including in bank notes or by transfer to a bank account in the People's Republic of China or anywhere else other than the CNY Settlement Centre).

There is only limited availability of CNY outside the People's Republic of China, which may affect the liquidity of the Securities and the relevant Issuer's ability to source CNY outside the People's Republic of China to fulfil its payment obligations under the Securities.

CNY is not freely convertible at present. The government of the People's Republic of China continues to regulate conversion between CNY and foreign currencies despite the significant reduction over the years by such government of its control over routine foreign exchange transactions under current accounts. The People's Bank of China ("**PBOC**") has established a clearing and settlement system pursuant to the Settlement Agreement on the Clearing of CNY Business between PBOC and Bank of China (Hong Kong) Limited. However, the current size of CNY and CNY denominated financial assets in the Hong Kong Special Administrative Region is limited, and its growth is subject to many constraints imposed by the laws and regulations of the People's Republic of China on foreign exchange. There can be no assurance that access to CNY funds for the purposes of making payments under the Securities or generally may remain or will not become restricted.

The value of CNY against foreign currencies fluctuates and is affected by changes in the People's Republic of China and international political and economic conditions and by many other factors. As a result, foreign exchange fluctuations between a purchaser's home currency and CNY may affect purchasers who intend to convert gains or losses from the sale or redemption of the Securities into their home currency. The government of the People's Republic of China has gradually liberalised the regulation of interest rates in recent years. Further liberation may increase interest rate volatility.

If a Currency Substitution Event with respect to the Securities occurs, adjustments may be made to the economic terms of the Securities which may result in a reduced investment return

In the event of a Currency Substitution Event, the relevant Issuer may (a) make adjustments to the economic terms of the relevant Securities, including, without limitation, to the exercise, settlement,

valuation, calculation and payment terms or (b) redeem or settle the Securities early on such day as shall be notified to the Holders at an early redemption amount or early settlement amount that accounts for the Currency Substitution Event. Any such action may reduce the value of the Securities and may result in the amounts paid or delivered under the Securities being less than what would have been paid or delivered if the adjustments had not been made or the early redemption or settlement had not occurred, and may be less, or significantly less, than the initial investment.

The relevant Issuer may make certain modifications to the Securities without the consent of the Holders

The Conditions provide that the relevant Agent and the relevant Issuer may, without the consent of Holders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Holders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

At meetings of Holders, the decision of the majority will bind all Holders

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

There may be conflicts of interest between the relevant Issuer, BAC and/or their respective Affiliates and the Holders

The relevant Issuer, BAC and/or any of their respective Affiliates or agents may engage in activities that may result in conflicts of interests between their and their respective Affiliates' or agents' financial interests on the one hand and the interests of the Holders on the other hand. The relevant Issuer, BAC and/or any of their respective Affiliates or agents may also engage in trading activities (including hedging activities) related to the Underlying Asset(s) underlying any Securities and other instruments or derivative products based on or related to the Underlying Asset(s) underlying any Securities for their proprietary accounts or for other accounts under their management. The relevant Issuer, BAC and/or any of BAC's Affiliates or agents may also issue other derivative instruments in respect of the Underlying Asset(s) underlying Securities. The relevant Issuer, BAC and/or any of BAC's Affiliates or agents may also act as underwriter in connection with future offerings of Shares or other securities related to an issue of Securities or may act as financial adviser to certain companies whose Shares or other securities are included in a basket of Shares or other securities or which are reference entities, or in a commercial banking capacity for any such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities. The relevant Issuer also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Securities. Any such Affiliate or agent would expect to make a profit in connection with such arrangements. The relevant Issuer would not seek competitive bids for such arrangements from unaffiliated parties.

Where the Securities are offered to the public, as the Dealer(s) and any distributors act pursuant to a mandate granted by the relevant Issuer and they receive fees on the basis of the services performed and the outcome of the placement of the Securities, potential conflicts of interest could arise.

In addition, unless otherwise specified in the applicable Final Terms, the Calculation Agent is an Affiliate of the relevant Issuer and BAC and in such capacity may make certain determinations and calculate amounts payable or deliverable to Holders. Under certain circumstances, the Calculation Agent, as an Affiliate of the relevant Issuer and BAC, and its responsibilities as calculation agent for the Securities could give rise to potential conflicts of interest between the Calculation Agent and the Holders. As BAC controls the Calculation Agent, potential conflicts of interest could arise.

In addition, a Merrill Lynch proprietary index will generally be developed, owned, calculated and maintained by a Merrill Lynch Affiliate, which would be responsible for the composition, calculation and maintenance of such index. In such circumstances, Merrill Lynch, as the index sponsor, would be under no obligation to take into account the interests of the Holders of any Securities referenced by

such index. In such capacity as index sponsor, Merrill Lynch will have the authority to make determinations that could materially and adversely affect the value of the Security.

The secondary market price of the Securities may be less than the Issue Price

Investors should note that, in certain circumstances immediately following the issue of the Securities or at any time prior to maturity, the secondary market price of the Securities may be less than the Issue Price, reflecting the fees to be paid to distributor(s) included in the Issue Price, hedging and other costs for the Securities, changes to the Issuer's or Guarantor's credit spreads and changes in the level of the Underlying Asset. These factors, together with various credit, market and economic factors over the term of the Securities, are expected to reduce the price at which an Investor may be able to sell the Securities in any secondary market and will affect the value of the Securities in complex and unpredictable ways. See also "There may be conflicts of interest between the relevant Issuer, BAC and/or their respective Affiliates and Holders" above.

A Holder may not receive the Entitlement relating to a Physical Delivery Security if it fails to deliver the required notice and pay Expenses relating to such Physical Delivery Security

In order to receive the Entitlement in respect of a Physical Delivery Note, the holder of such Note must (i) duly deliver to the Clearing System and/or Paying Agents, as specified in the Final Terms, a duly completed Asset Transfer Notice on or prior to the relevant time on the Cut-Off Date and (ii) pay the relevant Expenses. As used in the Conditions, "Expenses" includes any applicable depositary charges, transaction or exercise charges, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes arising from the redemption, exercise and settlement (as applicable) of such Securities and/or the delivery of the Entitlement.

In order to receive the Entitlement in respect of a Physical Delivery W&C Security, the holder of such W&C Security must (i) deliver or send to the Clearing System and/or Paying Agents, as specified in the Final Terms, (a) a duly completed Exercise Notice on or prior to the relevant time on the Expiration Date (in the case of a Warrant) or (b) a duly completed Collection Notice on or prior to the relevant time on the Cut-off Date (in the case of a Certificate) and (ii) pay the relevant Expenses.

Failure by a Holder properly to complete and deliver an Asset Transfer Notice, Exercise Notice or Collection Notice, as the case may be, or to procure that its agent does so on its behalf, may result in such notice being treated as null and void. This may result in a delay in delivery of the Entitlement, or the relevant Issuer being unable to deliver the Entitlement. Failure to pay the Expenses will have the same consequences to a Holder.

In the case of Physical Delivery Securities, settlement may be delayed or made in cash if certain events arise

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Maturity Delivery Date (in the case of Notes) or Settlement Date (in the case of W&C Securities), settlement will be postponed until the next date on which no Settlement Disruption Event occurs. The relevant Issuer in these circumstances has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities. In addition, if "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms, and in the opinion of the Calculation Agent it is impossible or impracticable to deliver some or all of the Relevant Assets comprising the Entitlement when due as a result of illiquidity in the market for the Relevant Assets, the relevant Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering those Relevant Assets. Any Disrupted Cash Settlement Price or Failure to Deliver Settlement Price may be significantly less than Holders expected to receive prior to such Settlement Disruption Event or Calculation Agent determination.

Holders have no claim against any Underlying Asset(s), and the return on an Underlying Asset Linked Security, if any, may be less than the return on an investment directly in the Underlying Asset(s).

A Security will not represent a claim against any Underlying Asset(s) and, in the event of any loss, a Holder will not have recourse under a Security to any Underlying Asset(s). The investment return on the Securities, if any, may be less than a comparable investment directly in the Underlying Asset(s), or the components included in any Underlying Asset(s). In contrast to an investment in the Securities, a

direct investment in the Underlying Asset(s) or the components of the Underlying Asset(s) would allow an investor to receive the full benefit of any appreciation or depreciation, as the case may be, in the value of these components.

BAC has the option to vary settlement under the Guarantee

In relation to Physical Delivery Securities, under the Guarantee, BAC has the right at all times to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery Securities, but in lieu thereof to pay an amount in cash equal to the Guaranteed Cash Settlement Amount. Such cash payment will constitute a complete discharge of BAC's obligations in relation to such Physical Delivery Securities.

If the relevant Issuer determines that the performance of either its obligations under the Securities or the obligations of BAC under the Guarantee has or will become illegal in whole or in part for any reason, the relevant Issuer may redeem or cancel the Securities, as applicable

If the relevant Issuer determines that the performance of either its obligations under the Securities or the obligations of BAC under the Guarantee has or will become illegal in whole or in part for any reason, the relevant Issuer may redeem or cancel the Securities, as applicable.

If, in the case of illegality and to the extent permitted by applicable law, the relevant Issuer redeems or cancels the Securities, then the relevant Issuer will, in the case of Notes, redeem each Note at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, or in the case of W&C Securities, pay an amount to each Holder determined by reference to the fair market value of each Security less hedging costs, which may be less than the purchase price of the Securities and may in certain circumstances be zero.

United States federal tax legislation may impose a withholding tax on payments made by an Issuer with respect to the Securities to certain holders

United States federal tax legislation was enacted on 18 March 2010 that will, effective for certain payments made after 31 December 2013 impose a 30 per cent. United States withholding tax on certain payments made by a foreign financial institution that enters into an agreement with the U.S. Department of the Treasury (the "**U.S. Treasury**") to collect and provide to the U.S. Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution.

Pursuant to recently published U.S. Treasury regulations, the 30 per cent. United States withholding tax may be imposed on U.S. source payments (e.g. dividend equivalent payments) made by an Issuer with respect to the Securities after 31 December 2013 and non-U.S. source payments made by an Issuer with respect to the Securities after 31 December 2016 to "recalcitrant holders", which are generally holders that do not comply with the Issuer's request for information to enable it to comply with the tax legislation, and to non-compliant foreign financial institutions. However, the withholding tax will not be imposed on certain "grandfathered obligations".

United States federal tax legislation may impose a withholding tax on certain payments made to an Issuer in which case the Issuer may be entitled to redeem or cancel the Securities prior to maturity

United States federal tax legislation was enacted on 18 March 2010 that will, effective for certain payments made after 31 December 2013 impose a 30 per cent. United States withholding tax on certain United States source payments made to a foreign financial institution, unless such institution enters into an agreement with the U.S. Treasury to collect and provide to the U.S. Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. A Security may constitute an account for these purposes.

If an Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the newly enacted legislation's reporting requirements (provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such Securities (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications or identifying information), it may redeem or cancel the Securities

held by non-compliant and compliant Holders at their Early Redemption Amount (in the case of Notes) or at their Early Settlement Amount (in the case of W&C Securities).

United States federal tax may be withheld from payments with respect to Securities that are treated as "dividend equivalents". In addition, if any payment with respect to Securities would be treated as a "dividend equivalent", the relevant Issuer would be entitled to redeem or cancel the Securities at any time prior to maturity, settlement, expiration or exercise

A "dividend equivalent" payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30 per cent. United States withholding tax if paid to a United States Alien holder. Under proposed U.S. Treasury regulations, certain payments that are contingent upon or determined by reference to U.S. source dividends, including payments reflecting adjustments for (extraordinary) dividends, with respect to equity-linked instruments, including certain Securities, may be treated as "dividend equivalents". If adopted in their current form, the regulations would impose a withholding tax on payments made on certain Securities on or after 1 January 2014 that are treated as "dividend equivalents". In that case, the relevant Issuer would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. As a result, actual payments on the Securities may be substantially less than the amounts specified in their terms.

In addition, if any payment with respect to the Securities would be treated as a dividend equivalent, the relevant Issuer would be entitled to redeem or cancel the Securities, in whole, but not in part, at any time prior to maturity, settlement, expiration or exercise at their Early Redemption Amount (in the case of Notes) or Early Settlement Amount (in the case of W&C Securities), as determined by the Calculation Agent in its discretion. These amounts could be significantly less than the holder's initial investment, and could be as low as zero.

Risks relating to W&C Securities

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

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

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

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

There are no Events of Default in relation to W&C Securities

The Conditions of the W&C Securities do not provide for any events of default. If the Issuer defaults on any obligation under the W&C Securities prior to the Settlement Date, Holders will be able to claim against the Guarantor under the Guarantee, but will have no right to declare all of the remaining obligations of the Issuer to be immediately due and payable.

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

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

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

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

The number of American Style Warrants exercisable on any date other than the Expiration Date may be limited to a maximum number

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

Transfers of Rule 144A Warrants are restricted

Issue and transfers of Warrants to purchasers that intend to hold their Warrants through a Rule 144A Global Warrant may be made only to or through MLICo. or the Dealer to purchasers in the United

States, or to, or for the benefit of, United States Persons that have executed and delivered to the Dealer, for the benefit of the Dealer, the Issuer and the Guarantor, an Investor Representation Letter pursuant to which such purchaser must certify, among other things, that such purchaser is a QIB who is also a QP. A transfer or attempted transfer of any Rule 144A Warrant which does not comply with the applicable transfer restrictions shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee.

Risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may have an impact on an investment in the Securities.

Many factors will determine the price of the Securities in the secondary market and such market may be illiquid

It is not possible to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. Each Issuer may, but is not obliged to, list or admit to trading Securities on a stock exchange or market. If the Securities are not listed or admitted to trading on any stock exchange or market, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. If the relevant Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such stock exchange or market will not be suspended. In the event of a de-listing or suspension of listing or trading on a stock exchange or market, the relevant Issuer will use its reasonable efforts to list or admit to trading the Securities on another stock exchange or market, unless it concludes it would be unduly burdensome to do so. Also, in the case of American Style Warrants to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The relevant Issuer cannot assure holders of the Securities that a trading market for their Securities will ever develop or be maintained. Many factors independent of the creditworthiness of the relevant Issuer or BAC affect the trading market of the Securities. These factors include:

- (a) the complexity and volatility of the Underlying Asset(s) or formula or other basis of reference applicable to the Securities;
- (b) the method of calculating amounts payable, including any dividend rates or yield or other securities or financial instruments applicable to the securities payable and/or deliverable, or other consideration, if any, in respect of the Securities;
- (c) the time remaining to the expiration (in the case of Warrants), exercise (in the case of Certificates) or redemption (in the case of Notes) of the Securities;
- (d) the number of Securities outstanding;
- (e) the aggregate amount of settlement features of the Securities;
- (f) the value of other securities linked to the Underlying Asset(s) or formula or other basis of reference applicable to the Securities;
- (g) the level, direction and volatility of market interest rates generally;
- (h) the general economic conditions of the capital markets, as well as geopolitical conditions and other financial, political, regulatory and judicial events that affect the financial markets generally, may affect the value of the Underlying Asset(s) and the Securities; and
- (i) the possibility that investors may be unable to hedge their exposure to risks relating to their Securities.

In addition, certain Securities may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility. Holders

may not be able to sell such Securities readily or at prices that will enable them to realise their anticipated yield. No investor should purchase Securities unless such investor understands and is able to bear the risk that such Securities may not be readily saleable, that the value of such Securities will fluctuate over time, that such fluctuations may be significant and that such investor may lose all or a substantial portion of the purchase price of the Securities.

The relevant Issuer, BAC, or any of BAC's Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty for their own account for business reasons or in connection with their hedging arrangements. Any Securities so purchased may be held or resold or surrendered for cancellation. The relevant Issuer, BAC, or any of BAC's Affiliates may, but is not obliged to, be a market-maker for an issue of Securities. Even if the relevant Issuer or such other entity is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. These activities may affect the price of such obligations or securities in a manner that would be adverse to a Holder's investment in the Securities. The relevant Issuer and BAC and its Affiliates have not considered, and are not required to consider, the interest of investors as Holders in connection with entering into any of the above mentioned transactions.

There may be less liquidity in the market for Securities if the Securities are exclusively offered to retail investors without any offer to institutional investors. To the extent that an issue of Securities becomes illiquid, an investor may have to exercise such Securities (in the case of American Style Warrants) or wait until the Exercise Date (in the case of European Style Warrants or Certificates) or the Maturity Date (in the case of Notes) of such Securities to realise value.

Investors may be subject to foreign exchange exposure and the Securities may become subject to exchange controls

In the case of Cash Settled Securities, the relevant Issuer will pay the Cash Settlement Amount (in the case of W&C Securities) or Final Redemption Amount (in the case of the Notes) in respect of the Securities in the Settlement Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency or Specified Currency, as applicable (the "**Settled Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settled Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the Cash Settlement Amount or Final Redemption Amount (as applicable) in respect of the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

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

In certain circumstances the relevant Issuer will not be obliged to maintain the listing of Securities which are specified as being listed in the applicable Final Terms

When the relevant Issuer specifies in the applicable Final Terms that a Series of Securities is to be admitted to trading on the Luxembourg Stock Exchange's regulated market and admitted to listing on the Official List of the Luxembourg Stock Exchange and/or listed on or admitted to trading by any other relevant stock exchange or market within the European Union ("**EU**"), which qualifies as a regulated market within the meaning of Article 4(14) of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (each an "**EU Exchange**"), the relevant Issuer expects, but is not obliged, to maintain such listing of the Securities on such EU Exchange(s). Changed circumstances, including changes in listing requirements, could result in a suspension or removal of any such listing, or cause the relevant Issuer to conclude that continued listing of the Securities on such EU Exchange(s) is unduly burdensome.

Legal investment considerations may restrict certain investments

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

Payments on the Securities are subject to the credit risk of the relevant Issuer and BAC, and the value of the Securities will be affected by a credit rating reduction of BAC

The amount payable or deliverable on the Securities at maturity, expiration or exercise is dependent upon the ability of the relevant Issuer and BAC to repay their respective obligations on the applicable maturity date, expiration date or exercise date. This will be the case even if the value of the Underlying Asset increases (or decreases, as the case may be) after the pricing date. No assurance can be given as to what the relevant Issuer's or BAC's financial condition will be on the applicable maturity date, redemption date, expiration date or exercise date. The value of the Securities is expected to be affected, in part, by investors' general appraisal of BAC's creditworthiness and actual or anticipated changes in BAC's credit ratings prior to the maturity date, expiration date or exercise date may affect the value of the Securities. Such perceptions are generally influenced by the ratings accorded to BAC's outstanding securities by standard statistical rating services. A reduction (or anticipated reduction) in the rating, if any, accorded to outstanding debt securities of BAC by one of these rating agencies could result in a reduction in the trading value of the Securities. As the return on the Securities depends upon factors in addition to the relevant Issuer's or BAC's ability to pay its respective obligations, an improvement in these credit ratings will not reduce the other investment risks related to the Securities. A credit rating is not a recommendation to buy, sell, or hold any of the Securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

Risks related to the structure of a particular issue of Securities

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

General risks relating to Underlying Asset Linked Securities

Underlying Asset Linked Securities will represent an investment linked to the economic performance of the relevant Underlying Asset(s) and potential investors should note that the return (if any) on their investment in such Securities will depend upon the performance of such Underlying Asset(s). Potential investors should also note that whilst the market value of such Securities is linked to such Underlying Asset(s) and will be influenced (positively or negatively) by such Underlying Asset(s), any change in the market value of such Securities may not be comparable to changes in the market value of the Underlying Asset(s). It is impossible to predict how the market value of the relevant Underlying Asset(s) will vary over time. In addition, in contrast to a direct investment in the relevant Underlying Asset(s), such Securities represent the right to receive payment or delivery, as the case may be, of the Cash Settlement Amount(s), the Final Redemption Amount(s) or the Entitlement, as the case may be, as well as periodic payments of interest or additional amounts (if specified in the applicable Final Terms), all or some of which and the value of which will be determined by reference to the performance of the relevant Underlying Asset(s) but which are likely to differ from and may be less than the return on a direct investment in the same Underlying Asset(s).

As the amounts payable and/or non-cash consideration deliverable in respect of Underlying Asset Linked Securities are linked to the performance of the relevant Underlying Asset(s), a purchaser of such a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Asset(s). Assuming all other factors are held constant, the lower the value of such a Security and the shorter the remaining term to expiration (in the case of a Warrant), exercise (in the case of a Certificate) or redemption (in the case of a Note), the greater the risk that purchasers of such Security will lose all or part of their investment.

Underlying Asset Linked Securities may be principal protected or non-principal protected. Investors in Underlying Asset Linked Securities that are non-principal protected may risk losing their entire investment if the value of the relevant Underlying Asset(s) does not move in the anticipated direction. Whether or not a Security is principal protected, all payments on such Security are subject to the relevant Issuer's and BAC's credit risk and their respective ability to pay their relevant obligations on the applicable payment dates.

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

Risks relating to Securities which are linked to emerging market Underlying Asset(s)

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

Risks associated with baskets comprised of various components as Underlying Assets

Exposure to performance of basket and its components

Where the Securities are linked to or reference a basket of assets, the investors in such Securities are exposed to the performance of such basket. The investors will bear the risk of the performance of each of the basket components. See, as applicable, the risk factors set out in the sections entitled "Index Linked Securities", "Share Linked Securities", "GDR/ADR Linked Securities" and "Fund Linked Securities".

A high correlation of basket components may have a significant effect on amounts payable

Some Securities are linked to baskets of Underlying Assets where the performance of such Underlying Assets tends to move in the same direction, or correlate, as a result of changes in market conditions, such as a change in interest rates. Correlation of basket components indicates the level of interdependence among the individual basket components with respect to their performance. If, for example, all of the basket components originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket components are subject to high correlation, any move in the performance of the basket components will exaggerate the performance of the Securities.

The negative performance of a single basket component may outweigh a positive performance of one or more other basket components

Investors in Securities must be aware that even in the case of a positive performance of one or more basket components, the performance of the basket as a whole may be negative if the performance of the other basket components is negative to a greater extent, subject to the terms and conditions of the relevant Securities.

A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular Underlying Asset

The performance of a basket that includes a smaller number of Underlying Assets will generally, subject to the terms and conditions of the relevant Securities, be more affected by changes in the value of any particular Underlying Asset included therein than a basket that includes a greater number of Underlying Assets.

The performance of a basket that gives greater weight to some Underlying Assets will generally, subject to the terms and conditions of the relevant Securities, be more affected by changes in the value of any such particular Underlying Asset included therein than a basket that gives relatively equal weight to each Underlying Asset.

A change in composition of a basket may have an adverse effect on basket performance

Where the Securities grant the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket component may perform differently from the original basket component, which may have an adverse effect on the performance of the basket which will in turn have an adverse effect on the value of the Securities.

Risks relating to Securities linked to certain Underlying Asset(s)

Index Linked Securities

Factors affecting the performance of Indices may adversely affect the value of the Securities

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such Index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index Linked Securities.

Returns on the Securities do not reflect a direct investment in underlying shares or other assets comprising the Index

The return payable on Securities that reference Indices may not reflect the return a potential investor would realise if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. For example, if the components of the Indices are shares, Holders will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Holders will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Index. Accordingly, Holders of Securities that reference Indices as Underlying Assets may receive a lower payment upon redemption/settlement of such Securities than such Holder would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

A change in the composition or discontinuance of an Index could adversely affect the market value of the Securities

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of

components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the Holders of the Index Linked Securities. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index Linked Securities and will have no obligation to any Holder of such Securities. Accordingly, the sponsor of an Index may take any actions in respect of such Index without regard to the interests of the Holder of the Securities, and any of these actions could adversely affect the market value of the Index Linked Securities.

The substitution of an Index with a Successor Index could adversely affect the market value of the Securities.

Upon notification by the relevant Issuer to the Calculation Agent that any payment (or deemed payment as determined for United States tax purposes) may be treated as a dividend or "dividend equivalent" for United States tax purposes (a **"U.S. Withholding Tax Event"**), the relevant Issuer may, at its option, upon notification to the Calculation Agent that it wishes to substitute a Successor Index for the relevant Index (an **"Index Substitution Event"**), effect such Index Substitution Event and, in the case of Notes, not redeem the Notes early pursuant to Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Securities, not cancel the W&C Securities pursuant to W&C Securities Condition 8. With respect to a relevant Index, a **"Successor Index"** includes an index that uses, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index. Such a substitution could adversely affect the market value and the performance of the Index Linked Securities.

Exposure to Index Modification, Index Cancellation, Index Disruption and correction of Index levels

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Underlying Asset with another and/or to cause early redemption/settlement of the Securities, any of which may be adverse to Holders in connection with Index Modification, Index Cancellation, and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Securities, or to replace such Index with another or to cause early redemption/settlement of the Securities. The Calculation Agent may (subject to the terms and conditions of the relevant Securities) also amend the relevant Index level due to corrections in the level reported by the Index Sponsor. The consequences of such amendments could adversely affect the market value of the Index Linked Securities.

Specific Risks relating to Index Linked Securities in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable

Holders of Index Linked Securities in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable should note that all payments made by MLICo. will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer, directly or indirectly, could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge such Index Linked Securities.

Securities are not sold or promoted by an Index or the sponsor of such Index

Securities linked to an Index are not sponsored, endorsed, sold, or promoted by such Index or the sponsor of such Index. The sponsor of an Index makes no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of such Index or the levels at which such Index stands at any particular time on any particular date. Neither an Index nor sponsor of such Index shall be liable (whether in negligence or otherwise) to any person for any error in such Index. A sponsor of an Index is under no obligation to advise any person of any error in such Index. A sponsor of an Index does not make any representation whatsoever, whether express or implied, as to the advisability of investing or assuming any risk in connection with the Securities linked to such Index.

The relevant Issuer, BAC and BAC's Affiliates are not liable for the actions or omissions of the sponsor of an Index, any information concerning an Index, the performance of such Index or use thereof in connection with the Securities

The relevant Issuer and BAC are not liable to the Holders of Securities for any act or failure to act by a sponsor of an Index in connection with the calculation, adjustment, or maintenance of such Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, BAC, any of BAC's Affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning such Index. In addition, the relevant Issuer, BAC, any of BAC's Affiliates, or the Calculation Agent makes no representation whatsoever, whether express or implied, as to the performance of any Index which is linked to the Securities, any data included in, or omitted from, such Index, or the use of such Index in connection with the Index Linked Securities.

Share Linked Securities

No issuer of the relevant Share(s) will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Share Linked Securities

No Share Company or Companies will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Share Linked Securities and none of the relevant Issuer, BAC or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Share Company or Companies contained in such Final Terms or in the documents from which such information was extracted. Neither the relevant Issuer nor BAC controls any Share Company or Companies and are not responsible for any disclosure made by any Share Company or Companies. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information described in this paragraph or in any applicable Final Terms) that would affect the trading price of the relevant Share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Share Company or Companies could affect the trading price of the Share(s) and therefore the trading price of the Securities.

Factors affecting the performance of Shares may adversely affect the value of the Share Linked Securities

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors are not within the relevant Issuer's or BAC's control and may result in a decline in the value of the Securities.

Holders have no claim against the Share Company or Companies or recourse to the Shares

Share Linked Securities do not represent a claim against or an investment in any Share Company or Companies and investors will not have any right of recourse under the Share Linked Securities to any such company or the Shares. Share Linked Securities are not in any way sponsored, endorsed or promoted by any Share Company or Companies and such companies have no obligation to take into account the consequences of their actions for any Holders. Accordingly, the Share Company or Companies may take any actions in respect of such Share without regard to the interests of the investors in the Share Linked Securities, and any of these actions could adversely affect the market value of the Share Linked Securities.

Determinations made by the Calculation Agent in respect of Potential Adjustment Events, Merger Events, Tender Offers, De-listing, Nationalisations, Insolvencies and Additional Disruption Events may have an adverse effect on the value of the Share Linked Securities

Upon determining that a Potential Adjustment Event, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Additional Disruption Event has occurred in relation to an underlying Share or Share Company, the Calculation Agent has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Share Linked Securities and/or (ii) (in the case of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or an Additional Disruption Event) cause early redemption/settlement of the Share Linked Securities, any of

which determinations may have an adverse effect on the value of the Share Linked Securities. In particular, in the event that the Share Linked Securities are early settled/redeemed, the amount payable to Holders may be significantly less than the investor's initial investment, and may be as low as zero.

Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the Shares, (b) an extraordinary dividend, (c) a call of the Shares that are not fully paid, (d) a repurchase by the Share Company, or an affiliate thereof, of the Shares, (e) a separation of rights from the Shares or (f) any event having a dilutive or concentrative effect on the value of the Shares. Additional Disruption Events include (1) a change in applicable law since the Trade Date that makes it illegal to hold, acquire or dispose of the Shares or more expensive for the relevant Issuer to hedge its obligations under the relevant Share Linked Securities, (2) an insolvency filing by or on behalf of any issuer of the relevant Share(s), (3) Increased Cost of Hedging and (4) Hedging Disruption.

Holders may receive physical delivery of Shares in lieu of payment of cash amounts

Where the Share Linked Securities include the right of the relevant Issuer, subject to the fulfilment of a particular condition, to redeem the Share Linked Securities at their maturity by delivering Shares to the investor, the investors will receive such Shares rather than a monetary amount upon maturity. Holders will, therefore, be exposed to the Share Company or Companies and the risks associated with such Shares. The investor should not assume that he or she will be able to sell such Shares for a specific price after the redemption/settlement of the Securities, and in particular not for the purchase price of the Share Linked Securities. Under certain circumstances the Shares may only have a very low value or may, in fact, be worthless, in which case see "Investors risk losing all of their investment in the Securities" above. Holders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares.

Holders will have no voting rights or may have no right to receive dividends or distributions in respect of the relevant Shares

Except as provided in the relevant Conditions in relation to Physical Delivery Securities, Holders of Share Linked Securities will not have voting rights or any other rights with respect to the relevant Shares to which such Share Linked Securities relate.

Unless the "Dividend Amount Provisions" are applicable for Share Linked Securities, Holders of Share Linked Securities will not have rights to receive dividends or distributions. As a result, the return on the Share Linked Securities may not reflect the return an investor would realise if the investor actually owned those relevant Shares and received the dividends paid or other distributions made in connection with them.

Specific Risks relating to Share Linked Securities in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable.

Share Linked Securities in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable are linked to the value of specified Shares during a specified period. If cash dividends are declared and paid on such Shares during such specified period, Holders of such Share Linked Securities shall receive such amounts, less deductions for local taxes (including withholding taxes). Holders of such Share Linked Securities should note that they will not acquire any interest in or right to acquire the relevant Shares, and will not in any way have any rights with respect to the relevant Shares (including voting rights). There is no obligation on MLICo. or any of its Affiliates to purchase, sell, hold, deliver, pledge or transfer any such Shares. In addition, the Additional Amount(s) and/or Settlement Amount (if any) due to Holders of such Share Linked Securities will generally be payable in a currency other than the currency in which the relevant Shares are denominated; as a result, the returns to Holders will be subject to exchange rate risk as well.

Holders of such Share Linked Securities should note that following the occurrence of any Potential Adjustment Event, the Calculation Agent may make certain determinations in respect of such Share Linked Securities, such as the issue of additional Share Linked Securities to Holders or the issue to Holders of new Share Linked Securities linked to the share capital or other securities of another company created as a result of a spin-off or other similar transaction relating to the relevant Share Company or the distribution of a cash amount to Holders or the adjustment of the terms and conditions of such Share Linked Securities, in each case, to account for the diluting or concentrative effect of such

Potential Adjustment Event. Holders of such Share Linked Securities should note that none of the Issuer, the Guarantor or any of their respective affiliates are in a position to advise or give assurance to the Holders as to the impact to the economic, legal or tax position of such Holders as a result of such determinations or actions to the Holders. Holders of such Share Linked Securities should consult their own business, accounting, regulatory, legal, tax and other professional advisers with respect to any consequences or considerations (whether relating to tax or otherwise) which may be relevant to or which may result from any such determinations or actions.

Holders of such Share Linked Securities should also note that all payments made by MLICo. (other than Additional Amounts) will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer, directly or indirectly, could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge such Share Linked Securities.

GDR/ADR Linked Securities

Exposure to risk that redemption amounts do not reflect direct investment in the shares underlying the Depositary Receipts

There are important differences between the rights of holders of ADRs or GDRs (ADRs and GDRs, together, "**Depositary Receipts**") and the rights of holders of the stock of the issuer of underlying shares represented by such Depositary Receipts. A Depositary Receipt is a security that represents capital stock of the relevant underlying share issuer. The relevant Deposit Agreement for the Depositary Receipt sets out the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the underlying share issuer and holders of the Depositary Receipt which may be different from the rights of holders of the underlying shares. For example, the underlying share issuer may make distributions in respect of its underlying shares that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the underlying shares of the underlying share issuer may be significant and may materially and adversely affect the value of the relevant GDR/ADR Linked Securities.

Exposure to the risk of non-recognition of beneficial ownership of the underlying shares represented by Depositary Receipts and therefore generally do not include dividends

The legal owner of the underlying shares represented by Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition could be issued with respect to the underlying shares represented by Depositary Receipts or that such shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the holder of the Depositary Receipt loses the rights under the underlying shares and the GDR/ADR Linked Securities would become worthless. See "Investors risk losing all of their investment in the Securities" above.

Potential exposure to risks of emerging markets

Depositary Receipts often represent shares of underlying share issuers based in emerging market jurisdictions. In such case, there are risks relating to GDR/ADR Linked Securities linked to Depositary Receipts which represent such underlying shares, see "Risks relating to Securities which are linked to emerging market Underlying Asset(s)" above.

Distributions on the underlying shares may not be passed on to the Depositary Receipts

The issuer of the underlying shares represented by Depositary Receipts may make distributions in respect of such shares that are not passed on to the purchasers of its Depositary Receipts which may materially and adversely affect the value of the GDR/ADR Linked Securities.

Adjustment to the terms and conditions or replacement of the Underlying Asset following certain corporate events in relation to the underlying shares represented by Depositary Receipts may materially and adversely affect the value of the Securities

Following certain corporate events specified in the terms and conditions of the relevant GDR/ADR Linked Securities relating to the underlying shares represented by Depositary Receipts or the relevant issuer of such underlying shares, such as a merger where the relevant company is not the surviving entity, the amount Holders of GDR/ADR Linked Securities will receive, if any, at maturity of such Securities may be adjusted by the Calculation Agent or the affected underlying shares and Depositary Receipts may be replaced by another Underlying Asset. The occurrence of such corporate events and the consequential adjustments may materially and adversely affect the value of the GDR/ADR Linked Securities.

Exposure to changes in the rate of exchange between the currency of the Depositary Receipt and the underlying share

Where the currency of the Depositary Receipt is different from that of the underlying share, represented by a Depositary Receipt, Holders of Securities linked to such Depositary Receipt may be exposed not only to the performance of the Depositary Receipt but also to the performance of the relevant foreign currency of the underlying share, which cannot be predicted. See "Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities" below.

Securities in respect of which "Exchange Rate" is specified to be applicable

Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities

If "Exchange Rate" is specified to be applicable to the Securities in the applicable Final Terms, then changes to the foreign exchange rate(s) will affect the nature and value of the investment return on such Securities. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to international and domestic political factors, economic factors (including inflation rates in the countries concerned, interest rate differences between the respective countries), economic forecasts, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Measures taken by governments and central banks include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Specified Currency that would affect exchange rates and the availability of a Specified Currency which would affect return on such Security or ability of the relevant Issuer to make delivery in the Specified Currency.

BAC is a major foreign exchange dealer and is subject to conflicts of interest

Investors should note that BAC and its Affiliates (including Merrill Lynch International) are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies of the relevant foreign exchange rate(s). Such transactions may affect the relevant foreign exchange rate(s), the market price, liquidity or value of the Securities and could be adverse to the interests of Holders. Neither BAC nor any of its Affiliates has any duty to enter into such transactions in a manner which is favourable to Holders.

Currencies of emerging markets jurisdictions pose particular risks

Securities which expose the investor to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies. See "Risks relating to Securities which are linked to emerging market Underlying Asset(s)" above.

Risks relating to Fund Linked Securities

A Fund may be subject to Fund Events which may adversely impact the value of Fund Linked Securities

If certain events specified as Fund Events occur, the Calculation Agent may replace the Fund by other Funds and thereafter the amount payable in respect of the Fund Linked Securities will depend on and be calculated by reference to the performance of an alternate asset. This may have a considerable impact on the value of the Fund Linked Securities and the amount payable in respect of the Fund Linked Securities. Alternatively, any determination dates and payment dates may be changed by the Calculation Agent, or the amount paid per Fund Linked Security may be based on the only cash amounts that an investor in the fund actually received, which might be as low as zero.

Risk from composition and changes to a fund

The management company of a Fund can, without regard to the interests of the investors in the Fund Linked Securities, add, delete or substitute any Funds by reference to which the value of a Fund is calculated or make other methodological changes that could change the investment profile of a Fund. The management company may also determine to discontinue a Fund. If a Fund is discontinued, it may be replaced by other assets and/or the Fund Linked Securities may be redeemed or exercised early.

In the event that a Fund is materially modified or permanently cancelled or the management company fails to calculate or announce the net asset value of a Fund, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the Fund Linked Securities as the Calculation Agent determines appropriate to account for the effect on the Fund Linked Securities of such events, or may redeem or exercise the Fund Linked Securities early. Any of these decisions or determinations may adversely impact the value of the Fund Linked Securities. In the event that the Fund Linked Securities are early settled/redeemed, that amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

Funds may be subject to transfer restrictions and illiquidity

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that purchasers of the Fund Linked Securities are not entitled to acquire interests in the Funds directly. Holders of units or shares in a Fund may have the right to transfer or withdraw their investment in the Funds only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the net asset value of the Funds in question. Potential investors should familiarise themselves with the features of the Funds in this regard.

Events which affect the value of a Fund will affect the value of Fund Linked Securities

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund Linked Securities:

- *Valuation:* The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.
- *Trading charges:* The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which

may result in increased turnover and associated higher than normal brokerage commissions and other expenses.

- *Legal and regulatory changes:* Future changes to applicable law or regulation may be adverse to a Fund.
- *Investment risk:* All investments risk the loss of capital and/or the diminution of investment returns. A Fund may utilise (*inter alia*) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.
- *Illiquidity:* A Fund may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.
- *Performance risk:* No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of the management company thereof. Certain management companies may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have invested or will invest will prove accurate.
- *Effect of exchange rates and exchange controls:* The net asset value of a Fund could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.
- *Market risks:* The markets in which a Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a Fund may liquidate positions to meet repurchase requests or other funding requirements.
- *Hedging risks:* A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A Fund may take substantial unhedged positions.
- *Interest rate risks:* The values of securities held by a Fund (or by any underlying Fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding net asset values of a Fund's positions to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.
- *Absence of regulation:* A Fund will generally not be regulated under the laws of any country or jurisdiction. As a result, certain protections of such laws (which, among other things, may require investment companies to have disinterested directors, require securities to be held in custody and segregated, regulate the relationship between the investment company and its adviser and mandate investor approval before fundamental investment policies may be changed) do not apply to a Fund. This absence of regulation may adversely affect the performance of a Fund.
- *Suspension of trading:* A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.

- *Dependence on key individuals:* The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a Fund manager to direct a fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant Fund manager could not continue to operate.
- *Experience of Fund managers:* Certain Funds may be managed by investment managers who have managed hedge funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds or hedge funds, including experience with financial, legal or regulatory considerations unique to Fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced Fund managers.
- *Risk of fraud:* There is a risk that a Fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.
- *Performance compensation payable to Fund managers:* The performance-based compensation paid to a Fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the Fund manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant Fund manager even during a period when the portfolio of assets is incurring significant losses.
- *Concentration risk:* As many hedge funds have the authority to concentrate their investments in securities of a single issuer or industry, the overall adverse impact on one or more components of the fund, and correspondingly on the value of the Fund, of adverse movements in the value of such securities could be considerably greater than if the Fund were not permitted to concentrate their investments. Moreover, a number of hedge funds included as components in a Fund might accumulate substantial positions in the same or related instruments at the same time. As information regarding the actual investments made by such funds is not generally available, the management company will be unable to identify any such accumulations, which could expose the relevant Fund to the risk of sudden and severe declines.
- *Risks of leverage:* A Fund may borrow without limitation and typically utilise various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a Fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.

- *Non-deductible taxes:* As Funds may be resident in so-called off-shore jurisdictions, which have not entered into any double taxation conventions with other countries, any income of such Fund may be subject to taxation in the countries of origin. As such withholding taxes are non-deductible due to the fact that such Funds are not subject to income taxation in their countries of residence, the Fund's net income may be reduced which may have a negative impact on the performance of such Fund.
- *Investment criteria:* It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may not sometimes be clear whether or not a Fund fulfils the investment criteria set out in its offering document.
- *Risks of equity investments:* The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.
- *Risks of fixed income investments:* A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.
- *Risks of collective investment schemes:* Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.
- *Large transactions:* Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such Fund.
- *Emerging markets:* A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. See "Risks relating to Securities which are linked to emerging market Underlying Asset(s)" above. Custody arrangements in such countries may also present enhanced risk.
- *Risks of repos:* A Fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required.
- *Risks of currency speculation:* A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.
- *Risks of commodity futures:* Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.
- *Risks of derivative instruments:* A Fund may use derivative instruments, such as collateralised debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price

volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**") and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

- *Risks of short selling:* A Fund may sell securities short. Short selling exposes a Fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.
- *Risks of arbitrage:* The use of arbitrage strategies by a Fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of "pure" arbitrage Funds. Most Funds also employ limited directional strategies which expose them to market risk.
- *Credit risk:* Many of the markets in which a Fund effects its transactions are "over-the-counter" or "inter-dealer" markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.
- *Risks relating to controlling stakes:* A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.
- *Price volatility:* The market price of Fund Linked Securities may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of Fund share(s) or unit(s). The price of Fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including

factors affecting the exchange(s) or quotation system(s) on which any units in the Fund or Funds may be traded.

As the shares of certain Funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment

The shares of a Fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such Fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the Fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant Fund would fail to pay to any shareholder in cash the full redemption proceeds owing to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the Securities to the net asset value per share of the relevant Fund, thereby reducing the return on the Securities.

In the case of Fund Linked Securities linked to Exchange Traded Funds ("**ETFs**"), if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement in respect of the Fund Linked Securities. Potential investors should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Fund Linked Securities.

In the case of Fund Linked Securities linked to ETFs following the declaration by the ETF of the occurrence of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical relevant Fund Shares and, if so, will (i) make the corresponding adjustment, if any, to any of the terms of the relevant Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Securities.

In addition, in the case of Fund Linked Securities linked to ETFs, if a Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalisation or Insolvency occurs in relation to any Fund Share, the relevant Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the relevant Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalisation or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Securities; or
- (ii) redeem or cancel, as applicable, all of the Fund Linked Securities. In the event of such redemption or cancellation the amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

Proposals to reform LIBOR

A change in the method of calculation or discontinuance of the London Inter-Bank Offered Rate ("**LIBOR**") could have a negative impact on the value of floating rate Securities where the interest rate is calculated with reference to LIBOR. The current administrator of LIBOR is the British Bankers' Association ("**BBA**"), but there are proposals to replace the BBA in such role. Any new administrator of LIBOR may make methodological changes that could change the level of LIBOR, which in turn may adversely affect the value of the Securities. Any new administrator of LIBOR may also alter, discontinue or suspend calculation or dissemination of LIBOR. No administrator of LIBOR will have any involvement in the offer and sale of the Securities or any obligation to any investor in respect of such Securities. The administrator of LIBOR may take any actions in respect of LIBOR without regard to the interests of any investor in the Securities, and any of these actions could have an adverse effect on the value of and payments under the Securities.

In addition, the proposals suggest reducing the number of currencies and tenors for which LIBOR is calculated.

If the rate of interest on the relevant Securities is calculated with reference to a discontinued currency or tenor, such rate of interest may be determined by the Calculation Agent in its own discretion. Furthermore, the proposed changes, when implemented, may change the way in which LIBOR is calculated under the Securities. Any such event could result in the rate of interest being lower than anticipated, which would adversely affect the value of and payments under the Securities.

The proposals to reform LIBOR also include compelling more banks to provide LIBOR submissions, and basing these submissions on actual transactions data. This may cause LIBOR to be more volatile than it has been in the past, which may adversely affect the value of the Securities.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) BAC's Annual Report on Form 10-K for the year ended 31 December 2012 (the "**BAC 2012 Annual Report**");
- (b) BAC's Current Reports on Form 8-K filed on 7 January 2013 (the "**BAC 7 January 2013 Form 8-K**"), 17 January 2013 (the "**BAC 17 January 2013 Form 8-K**"), 23 January 2013 (the "**BAC 23 January 2013 Form 8-K**"), 31 January 2013 (the "**BAC 31 January 2013 Form 8-K**") and 5 March 2013 (the "**BAC 5 March 2013 Form 8-K**", and together with the BAC 7 January 2013 Form 8-K, the BAC 17 January 2013 Form 8-K, the BAC 23 January 2013 Form 8-K and the BAC 31 January 2013 Form 8-K, the "**BAC Forms 8-K**") (other than, with respect to these reports, information that is furnished but deemed not to have been filed under the rules of the SEC);
- (c) MLBV's audited opening balance sheet (the "**MLBV Opening Balance Sheet**");
- (d) The audited financial statements of Merrill Lynch S.A. ("**MLSA**") as at and for the year ended 31 December 2010 and the auditor's report dated 19 April 2011 thereon (the "**MLSA 2010 Accounts**") and as at and for the year ended 31 December 2011 and the auditor's report dated 25 April 2012 thereon (the "**MLSA 2011 Accounts**");
- (e) MLSA's unaudited interim financial statements for the six months ended 30 June 2012 (the "**MLSA 2012 Interim Financial Statements**");
- (f) MLICo.'s audited financial statements as at and for the year ended 31 December 2010 and the auditor's report dated 28 April 2011 thereon (the "**MLICo. 2010 Accounts**") and as at and for the year ended 31 December 2011 and the auditor's report dated 21 May 2012 thereon (the "**MLICo. 2011 Accounts**"); and
- (g) MLICo.'s unaudited interim financial statements for the six months ended 30 June 2012 (the "**MLICo. 2012 Interim Financial Statements**").

The historical audited financial information of BAC on a consolidated basis for the two years ended 31 December 2012 is contained in the BAC 2012 Annual Report.

Documents Incorporated by Reference Cross-Reference List**BAC 2012 Annual Report****Part I**

<i>Item 1. Business</i>	<i>Pages 1 to 3</i>
<i>Item 1A. Risk Factors</i>	<i>Pages 4 to 19</i>
<i>Item 1B. Unresolved Staff Comments</i>	<i>Page 19</i>
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Part II

<i>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</i>	<i>Page 21</i>
<i>Item 6. Selected Financial Data</i>	<i>Page 21</i>
<i>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</i>	<i>Pages 22 to 152</i>
<i>Item 7A. Quantitative and Qualitative Disclosures about Market Risk</i>	<i>Page 153</i>
<i>Item 8. Financial Statements and Supplementary Data</i>	<i>Pages 153 to 280</i>
<i>Report of Independent Registered Public Accounting Firm</i>	<i>Page 155</i>
<i>Consolidated Statement of Income</i>	<i>Page 156</i>
<i>Consolidated Statement of Comprehensive Income</i>	<i>Page 157</i>
<i>Consolidated Balance Sheet</i>	<i>Pages 158 to 159</i>
<i>Consolidated Statement of Changes in Shareholders' Equity</i>	<i>Page 160</i>
<i>Consolidated Statement of Cash Flows</i>	<i>Page 161</i>
<i>Notes to Consolidated Financial Statements</i>	<i>Pages 162 to 280</i>
<i>Note 13 - Commitments and Contingencies - Litigation and Regulatory Matters of Notes to Consolidated Financial Statements</i>	<i>Pages 229 to 238</i>
<i>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</i>	<i>Page 281</i>
<i>Item 9A. Controls and Procedures</i>	<i>Pages 281 to 283</i>
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Part III

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<i>Item 11. Executive Compensation</i>	<i>Page 284</i>
<i>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</i>	<i>Page 285</i>
<i>Item 13. Certain Relationships and Related Transactions, and Director Independence</i>	<i>Page 285</i>
<i>Item 14. Principal Accounting Fees and Services</i>	<i>Page 285</i>

Part IV

<i>Item 15. Exhibits, Financial Statement Schedules</i>	<i>Page 286</i>
<i>Signatures</i>	<i>Pages 287 to 288</i>
<i>Index of Exhibits</i>	<i>Page 289* to 292*</i>
<i>Exhibit 12. Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Dividends</i>	<i>Page 333*</i>
<i>Exhibit 21. List of Subsidiaries</i>	<i>Pages 334* to 356*</i>
<i>Exhibit 24. Power of Attorney</i>	<i>Pages 359* to 361*</i>

BAC 7 January 2013 Form 8-K

<i>Item 2.02. Results of Operations and Financial Condition</i>	<i>Page 2</i>
<i>Item 8.01. Other Events</i>	<i>Page 2</i>
<i>Item 9.01. Financial Statements and Exhibits</i>	<i>Page 2</i>
<i>Signatures</i>	<i>Page 3</i>
<i>Index to Exhibits</i>	<i>Page 4</i>
<i>Exhibit 99.1. The Press Release</i>	<i>Pages 5 to 8*</i>

BAC 17 January 2013 Form 8-K

<i>Item 2.02. Results of Operations and Financial Condition</i>	<i>Page 2</i>
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<i>Exhibit 99.1. The Press Release</i>	<i>Pages 5 to 32</i>

BAC 23 January 2013 Form 8-K

<i>Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers</i>	<i>Page 2</i>
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BAC 31 January 2013 Form 8-K

<i>Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers</i>	<i>Page 2</i>
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<i>Item 8.01. Other Events</i>	<i>Page 2</i>
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MLBV Opening Balance Sheet

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MLSA 2010 Accounts

<i>Management Responsibility Statement of the Board of Directors</i>	<i>Page 1</i>
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<i>Audit Report</i>	<i>Pages 3 to 4</i>
<i>Annual Accounts</i>	
<i>Balance Sheet</i>	<i>Page 5</i>
<i>Profit and Loss Account</i>	<i>Page 6</i>
<i>Notes to the Accounts</i>	<i>Pages 7 to 20</i>
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MLSA 2011 Accounts

<i>Management Responsibility Statement of the Board of Directors</i>	<i>Page 1</i>
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<i>Profit and Loss Account</i>	<i>Page 6</i>
<i>Notes to the Annual Accounts</i>	<i>Pages 7 to 20</i>
<i>Note 20 - Cash Flows for the Year</i>	<i>Page 20</i>

MLSA 2012 Interim Financial Statements

<i>General Partner's Report</i>	<i>Pages 1 to 2</i>
<i>Profit and Loss Account</i>	<i>Page 3</i>
<i>Balance Sheet</i>	<i>Page 4</i>
<i>Notes to the Financial Statements</i>	<i>Pages 5 to 13</i>

MLICo. 2010 Accounts

<i>General Partner's Annual Report</i>	<i>Pages 1 to 2</i>
<i>Independent Auditor's Report to the General Partner</i>	<i>Page 3</i>
<i>Profit and Loss Account</i>	<i>Page 4</i>
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MLICo. 2011 Accounts

<i>General Partner's Annual Report</i>	<i>Pages 1 to 2</i>
<i>Independent Auditor's Report to the General Partner</i>	<i>Page 3</i>
<i>Profit and Loss Account</i>	<i>Page 4</i>
<i>Balance Sheet</i>	<i>Page 5</i>
<i>Cash Flow Statement</i>	<i>Page 6</i>
<i>Notes to the Financial Statements</i>	<i>Pages 7 to 22</i>

MLICo. 2012 Interim Financial Statements

<i>General Partner's Report</i>	<i>Page 1 to 2</i>
<i>Profit and Loss Account</i>	<i>Page 3</i>
<i>Balance Sheet</i>	<i>Page 4</i>
<i>Notes to the Financial Statements</i>	<i>Pages 5 to 13</i>

* These page numbers are references to the PDF pages included in the relevant report.

For the purposes of Article 28.4 of Commission Regulation (EU) No 809/2004, any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following publication of this Base Prospectus a supplement may be prepared by the Issuers and BAC and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Investors in the Securities shall be deemed to have notice of all information contained in the documents incorporated by reference into this Base Prospectus, as if all such information were included in this Base Prospectus. Investors who have not previously reviewed such information should do so in connection with their purchase of Securities. Copies of all such documents incorporated by reference will be available for inspection without charge at the office of the Principal Paying Agent in London.

BAC will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents listed in paragraphs (a) to (c) above. Written requests for such documents should be directed to: Bank of America Corporation, Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attention: Fixed Income Investor Relations, or fixedincomeir@bankofamerica.com. Telephone requests may be directed to either +1-866-607-1234 (toll free) or +1-212-449-6795. BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com. Copies of all of the documents

incorporated by reference into this Base Prospectus will be available on the Luxembourg Stock Exchange website (www.bourse.lu). References to web addresses in this Base Prospectus are included as inactive textual references only. Except as specifically incorporated by reference into this Base Prospectus, information on these websites is not part of this Base Prospectus.

The Issuers and BAC will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities.

COMMONLY ASKED QUESTIONS ABOUT THE PROGRAMME

This description is intended to give you an overview of the Issuers and the Guarantor and the types of Securities that may be issued under the Programme. Any decision to invest in any Securities should only be made after you have carefully read and understood all of the information set out or incorporated by reference in this Base Prospectus and the applicable Final Terms or the Registration Document and applicable Securities Note and Summary (if any). Words defined in the "Terms and Conditions of the Notes" or in the "Terms and Conditions of the W&C Securities" or elsewhere in this Base Prospectus shall have the same meanings when used in this section.

What are Merrill Lynch B.V. ("MLBV") and Merrill Lynch International & Co. C.V. ("MLICo.")?

MLBV is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. MLBV was incorporated on 12 November 2012, and on 31 December 2012, effective as of 1 January 2013, MLBV merged with Merrill Lynch S.A. ("MLSA") by means of a cross border merger, whereby MLSA was the disappearing entity, and MLBV was the acquiring entity. MLBV is registered with the Trade Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in Amsterdam, The Netherlands, under number 56457103.

MLICo. is a Curaçao limited partnership of unlimited duration which commenced operation on 1 August 1975 under registered number 11705 in the Commercial Registry of the Chamber of Commerce and Industry in Curaçao.

What do the Issuers do?

Each Issuer is a finance vehicle whose principal purpose is to raise debt or enter into financial contracts to assist the financing activities of the relevant Issuer's affiliates.

What types of product will be issued under the Programme?

MLBV may issue Notes and Certificates, and MLICo. may issue Certificates and Warrants (together with the Notes, the "**Securities**"). The payment and non-cash delivery obligations of the Issuers under the Securities are unconditionally and irrevocably guaranteed by Bank of America Corporation ("**BAC**") upon and subject to the terms set forth in the Guarantee. The Issuers may issue conventional debt securities including fixed or floating rate notes (in the case of MLBV) as well as Securities with returns linked to one or more underlying assets or bases of reference ("**Linked Securities**"). The returns on Securities may be received by investors in interest (in the case of Notes) or additional amounts (in the case of W&C Securities) and/or on redemption (in the case of Notes) or exercise (in the case of W&C Securities).

The return on Linked Securities may be linked to the performance of one or a combination of a wide range of reference bases which may include, but will not be limited to, a specified index or a basket of indices, a specified share or a basket of shares, a specified global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or basket of GDRs and/or ADRs, a specified fund or basket of funds or any combination of the foregoing. The composition of the relevant reference basis or bases may be designed to change over time in accordance with the relevant terms and conditions.

The relevant terms and conditions of a particular issue of Securities will specify the applicable returns, when such returns are payable or deliverable (see below) and the terms on which they are payable (including whether capital is at risk) or deliverable (see below). Any return will normally be paid by the relevant Issuer at maturity (in the case of Notes) or settlement (in the case of Warrants and Certificates) as part of the applicable Final Redemption Amount (in the case of Notes) or the Cash Settlement Amount (in the case of Warrants and Certificates). Any interest or additional amounts, as the case may be, will normally be paid by the relevant Issuer on specified dates. In certain circumstances the return on redemption or settlement of Securities may be the physical delivery of certain specified assets (the "**Entitlement**") after payment by the investor of certain cash sums to the Issuer such as Expenses or, in the case of Warrants, the relevant Exercise Price.

The relevant terms and conditions of a particular issue of Securities will be the terms and conditions for the Securities set out in this Base Prospectus as completed in the applicable Final Terms or as completed, amended and supplemented in the applicable Securities Note.

How much of my investment is at risk?

Some of the Securities will guarantee a minimum Final Redemption Amount on the Maturity Date for such Notes. Other Securities will put the investor's investment at risk in whole or in part so that an investor may receive an amount or assets with a value less than their original investment or lose their entire investment. The product terms and conditions will make it clear whether, and in what circumstances, an investor's investment is at risk. If the terms and conditions of a particular product provide that an investor's entire investment could be lost, an investor should only invest in the Securities if they are willing to accept that risk. Investors should note, however, that even if a Security guarantees a minimum Final Redemption Amount or Cash Settlement Amount, investors will still bear the risk of losing their entire investment in the event of the insolvency of the relevant Issuer and the Guarantor.

Each potential investor should also note that any return received on the Securities could be lower than the interest that the investor could have earned by investing in a simple fixed rate product (like a bank or building society account) paying the prevailing market rate.

Therefore some Securities may not be suitable for a potential investor who would prefer a lower risk investment.

What should I read before investing?

You should carefully read and understand this Base Prospectus and the applicable Final Terms or applicable Securities Note and Summary prior to investing in any Securities.

This Base Prospectus contains information about the Issuers and Guarantor, the general terms and conditions of Securities and general information about the offer and issue of Securities. The applicable Final Terms or applicable Securities Note will contain the specific terms and conditions of such Securities, product specific risk factors and other product specific information, together with information about how investors can purchase them (if applicable).

It is important that you obtain, carefully read and understand the applicable Final Terms or applicable Securities Note and Summary for Securities in which you are considering to invest.

What is Bank of America Corporation ("BAC")?

BAC is a Delaware corporation, a U.S. bank holding company and a financial holding company. BAC, through its subsidiaries throughout the United States and in international markets, provides a diversified range of banking and non-banking financial services and products in all 50 U.S. states, the District of Columbia, and more than 40 non-U.S. countries. BAC provides these services and products through five business segments: (1) *Consumer & Business Banking*, (2) *Consumer Real Estate Services*, (3) *Global Banking*, (4) *Global Markets* and (5) *Global Wealth & Investment Management*. A more detailed description of BAC is set out on pages 474 to 478 of this Base Prospectus.

What will the Issuers do with my money?

MLBV intends to use the net proceeds from the issue and sale of the Notes for general corporate purposes, including making loans to its affiliates. The Group intends to use the proceeds of such loans for general corporate purposes. Such general corporate purposes may include the funding of investments in, or extensions of credit to, subsidiaries, the funding of assets of the Group, the lengthening of the average maturity of the Group's borrowings, and the financing of acquisitions.

Each Issuer intends to use the net proceeds from each issue of W&C Securities issued by it for its general corporate purposes. A substantial portion of the proceeds from the issue of W&C Securities may be used to hedge market risk with respect to such W&C Securities. The applicable Final Terms will state if there is any particular identified use of proceeds in respect of any particular issue of W&C Securities.

What are the risks of investing in any Securities?

Before making an investment in any Securities, you should carefully consider all of the information set out in this Base Prospectus relating to the relevant Securities as well as your own personal

circumstances. You should have particular regard to, among other matters, the considerations described under the heading "Risk Factors" on pages 57 to 106 of this Base Prospectus and in any applicable Securities Note.

In order to offer the possibility of higher returns, some Securities will carry higher risks. The applicable Final Terms or applicable Securities Note for a series of Securities will state whether your investment is designed to be at risk and set out the terms on which your investment will be repaid.

What fees and expenses are payable in connection with my Securities?

The Issuers have incurred and will continue to incur fees and expenses which do not directly relate to one or more specific series of Securities. These expenses include (without limitation) fees and expenses incurred or to be incurred by or on behalf of the Issuers in connection with the preparation of this Base Prospectus, the preparation and publication of financial statements and reports, and the general administration of the Issuers. Certain of these expenses will be reimbursed or paid on behalf of the Issuers by MLI.

The fees and expenses which relate to a particular series of Securities will be described and funded as set out in the applicable Final Terms or applicable Securities Note.

What tax will I have to pay?

General information relating to United States, The Netherlands, Curaçao, Finland, Ireland, Luxembourg, Sweden and United Kingdom taxation, is set out under the heading "Taxation" on pages 483 to 505 of this Base Prospectus. If you are unsure of the tax implications of making an investment in any Securities, you should obtain professional tax advice.

Will my Securities be listed on a stock exchange?

Application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. The relevant Issuer may seek a listing for such Securities in respect of the regulated market of the Luxembourg Stock Exchange. In the case of W&C Securities which are held in uncertificated form in Euroclear UK & Ireland, application may be made by the relevant Issuer for such W&C Securities to be admitted to the official list of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange. The Issuers may also issue Securities which are not listed. It will be disclosed in the applicable Final Terms or applicable Securities Note whether the relevant Securities are intended to be listed and, if so, on which stock exchange.

What are the terms on which Securities will be offered?

If applicable, details of the offer, including details of the Offer Period, Issue Price, minimum or maximum subscription amounts, settlement arrangements and any other conditions applicable, in relation to an offer of a particular series of Securities and the relevant Issuer will be set out in the applicable Final Terms or applicable Securities Note.

How can I hold my Securities?

The Issuers intend that the Securities will at all times be represented by a Global Note or a Global W&C Security (a "**Global Security**"), except in the case of Swedish Securities or Finnish Securities, which will be in dematerialised form and CREST Securities, which will be in uncertificated form. In relation to Securities represented by a Global Security or dematerialised or uncertificated securities, Securities will normally be held by investors through custodial arrangements with their bank or broker. Banks and brokers will themselves hold such Securities through a Clearing System such as Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France, Euroclear Sweden, Euroclear Finland or Euroclear UK. In most of these circumstances the investors will have no direct rights against the relevant Issuer and will only receive any Final Redemption Amount (in the case of Notes) or Cash Settlement Amount (in the case of Warrants and Certificates) and/or interest (in the case of Notes) or additional amounts (in the case of W&C Securities), if applicable, attributable to such Securities on the basis of the arrangements entered into with their banks or brokers. Furthermore, the Clearing System register will only show, and, in most of the circumstances described above, the

relevant Issuer will only recognise, the nominee of such Clearing System as a Holder in respect of such Securities. In certain limited circumstances a Global Security or dematerialised securities may be exchangeable for definitive Securities. If this happens Holders will be notified.

For Securities not held through a Clearing System, the investor shown on the Register (in the case of Securities in registered form) or the investor who physically holds the Security (in the case of Securities in bearer form) will be the Holder of such Security. To receive payments of principal and/or interest, the investor will need to contact the Registrar (in the case of Securities in registered form) or the relevant Paying Agent or Security Agent (in the case of Securities in bearer form) and present evidence of its holding of the Security (in the case of securities in registered form) or the Security (in the case of securities in bearer form). The relevant Issuer will not make payments to the investors directly but will do so through the Registrar, the relevant Paying Agent or Security Agent, as applicable.

Will I be able to sell my Securities?

MLI or one of its affiliates may use its reasonable endeavours in normal market conditions to provide indicative bid and offer prices for the sale and purchase of Securities unless otherwise stated in the applicable Final Terms or Securities Note. However, it is not obliged to do so and may cease such activities at any time.

What do I have to do to exercise my rights in respect of the Securities?

Investors' rights relating to the Securities represented by a Global Security are governed by the procedures of the relevant Clearing Systems and the terms and conditions of the Securities, as completed, amended and supplemented in the applicable Final Terms. Investors should note that rights pertaining to certain Securities may expire if the Securities are not duly exercised prior to the specified cut-off date. An investor wanting rights in respect of Securities to be exercised on their behalf should contact their bank or broker.

It is important that you obtain, carefully read and understand the general terms and conditions and applicable Final Terms or applicable Securities Note for the Securities in which you are considering to invest.

Is there a limit on the amount of Securities the relevant Issuer will issue for each series?

MLBV may issue Notes up to a total aggregate nominal value of EUR15,000,000,000 (or its equivalent in other currencies) under this Programme and its other structured products programmes. There is no limit on the number or total amount of Warrants and Certificates the Issuers can issue under the Programme. In respect of an issue of Securities, subject to the first sentence of this paragraph, there is no limit to the amount or number of Securities that the Issuer may issue. The Issuers can issue a series of Securities at any time without giving investors notice or obtaining their consent. Any additional Securities issued by the relevant Issuer will rank equally with all existing Securities issued by the relevant Issuer.

How are payments made?

In the case of Securities represented by a Global Security or Securities in dematerialised or uncertificated form, the relevant Issuer will make payments by paying the total amount payable to the applicable Clearing System(s) in accordance with the rules and policies of the applicable Clearing System(s) or in the case of Warrants to the account specified by the Holder in the relevant Exercise Notice.

The applicable Clearing System will credit the appropriate amount to the account of each Holder (which may include intermediaries such as banks or brokers) in accordance with its rules or policies.

Neither the relevant Issuers nor BAC has an obligation to make payments directly to investors in the Securities. Each investor in the Securities must look to the applicable Clearing System or its bank or broker for payments on such investor's Securities.

If the date specified for payment is not a Business Day, the relevant Issuer will make the relevant payment on the first following day that is a Business Day, unless a different business day convention is

specified in the applicable Final Terms or Securities Note. On these occasions, the payment will be treated as if it were made on the original specified date for payment and will not be considered a late payment. Accordingly, the relevant Issuer will not be obliged to compensate the investor for the postponement. The term "Business Day" is defined within the terms and conditions of the Securities.

In the case of Physical Delivery Securities, delivery of the Entitlement will be made directly to the Holder in accordance with the delivery method specified in the terms and conditions.

GENERAL DESCRIPTION OF THE PROGRAMME

Issuers:	Merrill Lynch B.V. Merrill Lynch International & Co. C.V.
Guarantor:	Bank of America Corporation
Description:	Note, Warrant and Certificate Programme
Guarantee:	The payment and non-cash delivery obligations of the relevant Issuer under the Securities are unconditionally and irrevocably guaranteed by BAC upon and subject to the terms set out in the Guarantee.
Calculation Agent:	Merrill Lynch International or such other calculation agent specified in the applicable Final Terms.
Arranger:	Merrill Lynch International
Securities:	Securities of any kind may be issued, including, but not limited to Index Linked Securities, Share Linked Securities, GDR/ADR Linked Securities and Fund Linked Securities.
Status of the Securities:	Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the relevant Issuer and will rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness (in the case of Notes) or obligations (in the case of W&C Securities) of the relevant Issuer.
Status of the Guarantee:	The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank <i>pari passu</i> with its other present and future unsecured and unsubordinated contractual obligations.
Approval, listing and admission to trading:	Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. Securities that are neither listed nor admitted to trading on any market may also be issued.
Governing law:	The Securities and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York.

FORM OF THE SECURITIES

Words and expressions defined in the "Terms and Conditions of the Notes" or "Terms and Conditions of the W&C Securities", as applicable, shall have the same meanings in this Form of the Securities.

Form of the Notes

Bearer Notes

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

- (a) if the Global Bearer Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); and
- (b) if the Global Bearer Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

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

On and after the Exchange Date, which is generally 40 calendar days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) Notes in definitive form ("**Definitive Bearer Notes**") of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Bearer Notes is improperly withheld or refused.

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

A Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 calendar days' written notice expiring at least 30 calendar days after the Exchange Date from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (b) if MLBV has been notified that both Euroclear and Clearstream, Luxembourg, as applicable, have been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available (an "**Exchange Event**"). MLBV will promptly give notice to Noteholders in accordance with Note Condition 14 (*Notices*) if an Exchange Event occurs. In the event

of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 calendar days after the date of receipt of the first relevant notice by the Principal Paying Agent.

No Definitive Bearer Note delivered in exchange for a Temporary Global Note or a Permanent Global Note, as the case may be, will, in connection with its sale during the restricted period (as such term is defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), be mailed or otherwise delivered to any location in the United States.

The following legend will appear on all Global Bearer Notes, Definitive Bearer Notes, Receipts, Talons and Coupons for Notes having an original maturity of more than 183 calendar days and on all receipts and interest coupons relating to such Notes:

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

The sections of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, Receipts, Talons or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal with respect to Notes, Receipts, Talons or Coupons.

Notes with maturities of 183 calendar days or less are required to be issued in minimum denominations of U.S.\$500,000 (or its equivalent in other currencies).

The following legend will appear on all Global Bearer Notes, Definitive Bearer Notes, Receipts, Talons and Coupons for Notes having maturities of 183 calendar days or less:

"BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER)."

Swedish Notes

If the applicable Final Terms indicate that the Notes ("**Swedish Notes**") are to be issued into and cleared through the Swedish CSD, such Series of Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*).

Registered Notes

Each Tranche of Notes issued in registered form ("**Registered Notes**") will initially be represented by a global registered note (a "**Global Registered Note**"). Each Global Registered Note will be deposited on or around the relevant issue date with, and registered in the name of a nominee for, a depositary or the Common Depositary and/or any other relevant clearing system and will be exchangeable for Registered Notes in definitive form ("**Definitive Registered Notes**") represented by individual note certificates ("**Individual Note Certificates**"), if MLBV has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, MLBV shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five Business Days of the delivery by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be

registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Notes Deed of Covenant). Under the Notes Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against MLBV all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Form of Warrants

If the applicable Final Terms specify that Warrants are eligible for sale exclusively in the United States or to, or for the account or benefit of, United States Persons (as defined below) pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the Warrants sold (a) in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act who are also each a qualified purchaser (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"), and the rules thereunder or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs will be represented by a Rule 144A Global Warrant (the "**Rule 144A Global Warrant**") which will be in registered form and either (i) deposited with the U.S. Warrant Agent as a custodian for, and registered in the name of a nominee of, DTC; or (ii) deposited with, and registered in the name of a nominee for, the Common Depositary.

Unless otherwise indicated, as used in this Base Prospectus, "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and in U.S. Treasury regulations. Warrants which may be sold as described above to United States Persons who are QIBs and also QPs in reliance on Rule 144A are referred to in this Base Prospectus as "Rule 144A Warrants", which term shall also include, where the context requires, Rule 144A Warrants sold as described in the succeeding paragraph that are represented by a Regulation S/Rule 144A Global Warrant.

If specified in the applicable Final Terms, the Warrants may be sold (a) in the United States to QIBs who are also QPs or (b) to, or for the account or benefit of, United States Persons who are QIBs and

also QPs and, in either case, concurrently outside the United States to non-United States Persons and will be represented by a Regulation S/Rule 144A Global Warrant (the "**Regulation S/Rule 144A Global Warrant**") which will be in registered form and deposited with, and registered in the name of a nominee for, the Common Depositary.

If the applicable Final Terms indicate that the Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such Series of Warrants will on issue be constituted by either (if the applicable Final Terms indicates that the Warrants are to be issued in bearer form) a global warrant in bearer form, which will be deposited with the Common Depositary, or (if the applicable Final Terms indicates that the Warrants are to be issued in registered form) a global warrant in registered form, which will be deposited with, and registered in the name of the nominee of, the Common Depositary.

If the applicable Final Terms indicate that the Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and transferred through accounts at Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**"), such Series of Warrants will on issue be constituted by a global warrant in bearer form, provided, however, that the Warrants will be treated as in registered form for United States federal income tax purposes. The global warrants will be delivered on or prior to the issue date of the relevant series of Warrants to Clearstream, Frankfurt.

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and transferred through accounts at Euroclear France S.A. ("**Euroclear France**"), such Series of Warrants will on issue be constituted by a global warrant in bearer form which will be deposited with the Common Depositary.

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and cleared through the Swedish CSD, such Series of Warrants will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag* (1998: 1479) *om kontoföring av finansiella instrument*).

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and cleared through Euroclear Finland, such Series of Warrants will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991)).

If the applicable Final Terms indicate that such Warrants (the "**CREST Warrants**") are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and cleared through accounts at Euroclear UK & Ireland Limited (formerly CrestCo. Limited) ("**Euroclear UK**"), such Series of Warrants will be issued in uncertificated form in accordance with the United Kingdom Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Warrants are participating securities for the purposes of the Uncertificated Securities Regulations.

Except in limited circumstances specified above or in the W&C Securities Conditions and under the rules of the DTC book-entry clearing system, definitive Warrants will not be issued and Holders do not have the right to require the printing and delivery of definitive Warrants.

Form of Certificates

Bearer Certificates

If the applicable Final Terms indicate that the Certificates are to be issued in bearer form ("**Bearer Certificates**") into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such Series of Certificates will on issue be constituted by either a temporary global certificate in bearer form

or a permanent global certificate in bearer form as indicated in the applicable Final Terms which, in either case will be deposited with the Common Depositary.

If the applicable Final Terms indicate that the Certificates are to be issued into and transferred through accounts at Clearstream, Frankfurt ("**CBF Certificates**"), such Series of Certificates will on issue be constituted by a permanent global certificate in bearer form, provided, however, that the Certificates will be treated as in registered form for United States federal income tax purposes. The permanent global certificate will be delivered on or prior to the issue date of the relevant series of Certificates to Clearstream, Frankfurt.

If the applicable Final Terms indicate that the Certificates are to be issued into and transferred through accounts at Euroclear France, such Series of Certificates will on issue be constituted by either a temporary global certificate in bearer form or a permanent global certificate in bearer form as indicated in the applicable Final Terms which, in either case, will be deposited with Euroclear France.

Definitive Certificates will only be issued in the circumstances specified below and in the W&C Securities Conditions.

Whilst any certificate is represented by a temporary global certificate, payments of principal, additional amounts (if any) and any other amount payable in respect of the Certificates due prior to the Exchange Date will be made (against presentation of the temporary global certificate) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Certificate are not United States Persons or persons who have purchased for resale to any United States Person, as required by U.S. Treasury regulations, has been received by Euroclear, Clearstream, Luxembourg or Euroclear France, as applicable, and Euroclear, Clearstream, Luxembourg or Euroclear France, as applicable, has given a like certification (based on the certifications it has received) to the Principal Certificate Agent.

Except in the case of CBF Certificates, on and after the Exchange Date, which generally is 40 calendar days after a temporary global certificate is issued, interests in such temporary global certificate will be exchangeable (free of charge) upon a request as described herein either for (a) interests in a permanent global certificate of the same Series or (b) definitive Certificates in bearer form ("**Definitive Bearer Certificates**" and each a "**Definitive Bearer Certificate**"), of the same Series (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Certificates, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a temporary global certificate will not be entitled to collect any payment of additional amounts, principal or other amounts due on or after the Exchange Date unless, upon certification, exchange of the temporary global certificate for an interest in a permanent global certificate or for Definitive Bearer Certificates is improperly withheld or refused.

Payments of principal, additional amounts (if any) or any other amounts on a permanent global certificate will be made through Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, or Euroclear France, as applicable, outside the United States (against presentation or surrender (as the case may be) of the permanent global certificate) without any requirement for certification.

Except in the case of CBF Certificates, a permanent global certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear, Clearstream, Luxembourg or Euroclear France, as applicable (acting on the instructions of any holder of an interest in such permanent global certificate). No Definitive Bearer Certificate delivered in exchange for a temporary global certificate or a permanent global certificate, as the case may be, will, in connection with its sale during the restricted period (as such term is defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), be mailed or otherwise delivered to any location in the United States.

The following legend will appear on all Certificates in bearer form:

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

The sections of the Code referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Certificates and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal with respect to Certificates.

Certificates with maturities of 183 calendar days or less are required to be issued in minimum denominations of U.S.\$500,000 (or its equivalent in other currencies).

The following legend will appear on all Certificates which have maturities of 183 calendar days or less:

"BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER)."

Swedish Certificates and Finnish Certificates

If the applicable Final Terms indicate that the Certificates ("**Swedish Certificates**") are to be issued into and cleared through the Swedish CSD, such Series of Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*).

If the applicable Final Terms indicate that the Certificates ("**Finnish Certificates**") are to be issued into and cleared through Euroclear Finland, such Series of Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991)).

CREST Certificates

If the applicable Final Terms indicate that such Certificates (the "**CREST Certificates**" and together with the CREST Warrants, the "**CREST Securities**") are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and cleared through accounts at Euroclear UK, such Series of CREST Certificates will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The CREST Certificates are participating securities for the purposes of the Uncertificated Securities Regulations.

Registered Certificates

If the applicable Final Terms indicate that the Certificates are to be issued in registered form ("**Registered Certificates**") such Registered Certificates will be issued in global registered form ("**Global Registered Certificates**"), as specified in the applicable Final Terms. Each Global Registered Certificate will be deposited on or around the relevant Issue Date with, and registered in the name of the nominee for, the Common Depositary.

Each Global Registered Certificate will be exchangeable in whole, but not in part, for individual certificates ("**individual certificates**"), representing Certificates in definitive form ("**Definitive Registered Certificates**"), if the relevant Issuer has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Global Registered Certificate is to be exchanged for individual certificates, the relevant Issuer shall procure that the number or nominal amount of individual certificates issued will be equal to the number or nominal amount of the Global Registered Certificates then outstanding within five Business Days of the delivery, by or on behalf of the registered holder of the Global Registered Certificate to the Registrar of such information as is required to complete and deliver such individual certificates (including, without limitation, the names and addresses of the persons in whose names the individual certificates are to be registered and the number or nominal amount of each such person's holding) against the surrender of the Global Registered Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Certificates scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Global Registered Certificate; or
- (b) any of the Certificates represented by a Global Registered Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Certificates or the date for final settlement of the Certificates has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Certificate in accordance with the terms of the Global Registered Certificate on the due date for payment,

then the Global Registered Certificate (including the obligation to deliver individual certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the holder of the Global Registered Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Certificate or others may have under the W&C Securities Deed of Covenant). Under the W&C Securities Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Certificate became void, they had been the holders of individual certificates in a number equal to the number of Certificates they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

FORM OF RETAIL FINAL TERMS OF THE NOTES

[Date]

MERRILL LYNCH B.V. (the "Issuer")

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.
Note, Warrant and Certificate Programme
unconditionally and irrevocably guaranteed as to payment and delivery obligations
by Bank of America Corporation**

Any person making or intending to make an offer of the Notes may only do so[

- i. in the Public Offer Jurisdiction[s] mentioned in Paragraph [40] of Part A below, provided such person is one of the persons mentioned in Paragraph [40] of Part A below and that such offer is made during the Offer Period specified for such purpose therein; or
- ii. otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Member State of the European Economic Area (each a "**Relevant Member State**")) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the base prospectus dated 11 March 2013 (the "**Base Prospectus**") [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agents for the time being in London and Luxembourg and copies may be obtained from 2 King Edward Street, London, EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[Include whichever of the following apply or specify as "Not Applicable" or delete relevant provision]

1. (a) Series Number: [●]
- (b) Tranche Number: [●]

[(to be consolidated and form a single series with the [insert amount and name of the existing Series] issued on [insert issue date of the existing Series])
(in the case of fungible issues only)]

2. Specified Currency or Currencies: ☐
3. Aggregate Nominal Amount:
- (a) [Series:] ☐
- (b) [Tranche:] ☐
4. Issue Price: ☐ per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
5. (a) Specified Denominations: ☐
- (Notes (including Notes denominated in Sterling) in respect of which the [issue proceeds] are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a [redemption value] of £100,000 (or its equivalent in other Specified Currencies))*
- (If the Notes have a maturity of 183 calendar days or less from their date of issue, the minimum denomination must be at least U.S.\$500,000 or its equivalent in any other currency)*
- (b) Calculation Amount: ☐
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. Trade Date: ☐[Following Business Day Adjustment]
7. Strike Date: ☐ [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (a) Strike Date is Adjusted as an Observation Date: ☐ [Applicable] ☐ [Not Applicable]
- (b) Strike Date is Adjusted as a Valuation Date: ☐ [Applicable] ☐ [Not Applicable]
8. [(a)] Issue Date [and Interest Commencement Date]: ☐
- [(b)] Interest Commencement Date (if different from the Issue Date): ☐
9. Maturity Date: ☐ *[Fixed Rate Note – specify date] [Floating Rate Note – Interest Payment Date falling on or nearest to [specify month]] (the "Scheduled Maturity Date").*
- [Scheduled Maturity Date is Business Day Adjusted] [if Scheduled Maturity Date is not*

specified to be Business Day Adjusted, then may delete the following sub-paragraph]

- Maturity Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Nearest] [Preceding Business Day Convention]
- 10. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR] [EURIBOR] [HIBOR] [STIBOR]
[SIBOR] [TIBOR] [Dollar LIBOR] +/- [●] per
cent. Floating Rate]
[Zero Coupon]
[Index Linked]
[Share Linked]
[GDR/ADR Linked]
[Non-Interest bearing]
[(further particulars specified below)]
- 11. (a) Redemption/Payment Basis: [Redemption at par]

[Index Linked]
[Share Linked]
[GDR/ADR Linked]
[Fund Linked]
[Instalment]
[(further particulars specified below)]
- (b) Redemption method: [Cash Settled Notes] [Cash Settled Notes and/or
Physical Delivery Notes]
- 12. Change of Interest Basis: [Applicable] [Not Applicable] *[if not applicable,
then may delete the following sub-paragraphs]*
- (a) Interest Basis A: [[●] per cent. Fixed Rate]
[(further particulars specified below)]
- (b) Interest Basis A Commencement Date(s): [Issue Date] [Interest Commencement Date] [Issue
Date and Interest Commencement Date] *[specify
other]*
- (c) Interest Basis B: [Index Linked]
[Share Linked]
[GDR/ADR Linked]
[(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13. Fixed Rate Notes: [Applicable] [Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually] [semi-
annually] [quarterly] [bi-monthly] [monthly] in
arrear]
- (b) Scheduled Fixed Interest Payment Date(s): [[●] in each calendar [year] [month] from and
including [●] up to and including the Scheduled
Maturity Date] *[specify other]*
- (c) Business Day Convention: [Floating Rate Convention] [Following Business
Day Convention] [Modified Following Business
Day Convention] [Preceding Business Day
Convention] [No Adjustment]

- (d) Additional Business Centre(s): ☐ [Not Applicable]
- (e) Fixed Coupon Amount(s): ☐ per Calculation Amount [Not Applicable]
- (f) Broken Amount(s): ☐ per Calculation Amount payable on the Fixed Interest Payment Date falling on ☐ [Not Applicable]
- (Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))*
- (g) Day Count Fraction: ☐ Actual/Actual (ICMA)
☐ Actual/Actual (ISDA) ☐ Actual/Actual
☐ Actual/365 (Fixed)
☐ Actual/365 (Sterling)
☐ Actual/360
☐ 30/360 (ICMA)
☐ 30/360 ☐ 360/360 [Bond Basis]
☐ 30E/360 [Eurobond Basis]
☐ 30E/360 (ISDA)
- (N.B. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)*
- (h) Determination Date(s): ☐ in each year [Not Applicable]
- (N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
14. Floating Rate Notes: ☐ Applicable ☐ Not Applicable
- (a) Specified Period(s)/Specified Interest Payment Dates: ☐ ☐ in each calendar [year] [month] from and including ☐ up to and including the Scheduled Maturity Date
- Interest Period: ☐ Unadjusted ☐ Adjusted
- (If the Interest Period(s) are Adjusted, specify the relevant Business Day Convention at paragraph 14(b) below. If Interest Period(s) are Unadjusted, no Business Day Convention should be specified)*
- (b) Business Day Convention: ☐ Floating Rate Convention ☐ Following Business Day Convention ☐ Modified Following Business Day Convention ☐ Preceding Business Day Convention ☐ No Adjustment
- (c) Additional Business Centre(s): ☐ [Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: ☐ Screen Rate Determination ☐ ISDA Determination
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): ☐
- (f) Screen Rate Determination: ☐ Applicable ☐ Not Applicable

- Reference Rate: [●] month [LIBOR] [HIBOR] [EURIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR]
- Interest Determination Date(s): [●]
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR. Specify other.)
- Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Specified Time: [●]
- Relevant Financial Centre: [London] [Brussels] [Stockholm] [Hong Kong] [Singapore] [Tokyo]
- (g) ISDA Determination:
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (h) Margin(s): [+/-] [●] per cent. per annum
- (i) Minimum Rate of Interest: [●] per cent. per annum
- (j) Maximum Rate of Interest: [●] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- 15. Zero Coupon Notes: [Applicable] [Not Applicable]
 - (a) Accrual Yield: [●] per cent. per annum
 - (b) Reference Price: [●]
 - (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(E)(c) and 6(J) apply] *(Consider applicable day count fraction if not U.S.\$ denominated)*
- 16. Underlying Asset Linked Interest Notes: [Applicable] [Not Applicable]

- (a) Underlying Asset(s): [As specified in paragraph[s] [21] [22] [23] [24] below]
- (b) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR:
- (i) Interest 1: [Applicable] [Not Applicable]
 - (ii) Interest 2: [Applicable] [Not Applicable]
 - (iii) Interest 3: [Applicable] [Not Applicable]
 - (iv) Specified Rate of Interest A: [●] per cent. per annum
 - (v) Specified Interest Amount A: [●] [Not Applicable]
 - (vi) Specified Rate of Interest B: [●] per cent. per annum
 - (vii) Specified Interest Amount B: [●] [Not Applicable]
 - (viii) Interest Valuation Date: [[Tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date]
 - First Scheduled Interest Valuation Date: [●] *(N.B. To be deleted if not required to be specified)*
- (c) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or Fund is impossible or impracticable or otherwise disrupted: [As specified in paragraph[s] [21] [22] [23] [24]]
- (d) Underlying Asset Linked Interest Commencement Date: [●] [Not Applicable]
- (e) Scheduled Interest Payment Dates: [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date] [Scheduled Interest Payment Dates are set out in the Product Specific Information Table below]
- (f) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (g) Additional Business Centre(s): [●][Not Applicable]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum

- (j) Day Count Fraction: [Actual/Actual (ICMA)]
 [Actual/Actual (ISDA)] [Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360 (ICMA)]
 [30/360] [360/360] [Bond Basis]
 [30E/360] [Eurobond Basis]
 [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

[PRODUCT SPECIFIC INFORMATION TABLE] (N.B. May be deleted if not required)

The terms ["Scheduled Interest Payment Date"], ["Scheduled Automatic Early Redemption Reference Date"] ["Automatic Early Redemption Knock-Out Price"] (*insert additional columns as applicable*) applicable to [a] [the] Note[s] shall have the corresponding meanings set forth in the table below ("Product Specific Information Table").

[Scheduled Interest Payment Date] ¹	[Scheduled Automatic Early Redemption Reference Date] ² (<i>insert exact dates on which the Automatic Early Redemption Reference Dates are scheduled to fall on</i>)	[Automatic Early Redemption Knock-Out Price] ³		
		[Share Company]	[Share Company]	[Share Company]
[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)
[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)

17. Automatic Early Redemption: [Applicable] [Not Applicable]
- (a) Automatic Early Redemption Event: [Automatic Early Redemption Event 1]
 [Automatic Early Redemption Event 2]
 [Automatic Early Redemption Event 3]
- (b) Automatic Early Redemption Amount: [[●] per Calculation Amount] [[●] per cent. of Calculation Amount]
- (c) Automatic Early Redemption Date: [Each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] [Each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] [Each Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date [and the Excluded Interest Payment Date]] [[●] Business Days following each

¹ To be included only for Underlying Asset Linked Interest Notes.

² To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

³ To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

		Automatic Early Redemption Reference Date]
(d)	Automatic Early Redemption Reference Date:	<p>[[Tenth][●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] (<i>N.B. Insert if Fixed Rate only</i>)</p> <p>[[Tenth][●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] (<i>N.B. Insert if Share Linked only or Index Linked only</i>)</p> <p>[[Tenth] [●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date [other than the Excluded Interest Payment Date] and [tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] (<i>N.B. Insert if Change of Interest Basis is applicable</i>)</p> <p>[Each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the Product Specific Information Table above] (<i>N.B. Insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date</i>)</p> <p>[●] (<i>N.B. Insert if Product Specific Information Table is not used to list specific Scheduled Automatic Early Redemption Reference Date(s)</i>)</p>
	- First Automatic Redemption Date: Scheduled Early Redemption Reference Date:	[●] (<i>N.B. To be deleted if not required to be specified</i>)
(e)	Automatic Early Redemption Trigger:	[●] [Automatic Early Redemption Trigger is set out in "Specific Information Relating to the Underlying Asset(s)" below] [Not Applicable] (<i>N.B. Only applicable for Automatic Early Redemption Event 1 and 3</i>)
(f)	Automatic Early Redemption Knock-Out Price:	[●] [Automatic Early Redemption Knock-Out Price is set out in "Specific Information relating to the Underlying Asset(s)" below] [Not Applicable] (<i>N.B. Only applicable for Automatic Early Redemption Event 2</i>)
[(g)	Excluded Interest Payment Date:	[●] (<i>N.B. To be deleted if not required to be specified</i>)
18.	Final Redemption Amount of each Note:	<p>[[●] per Calculation Amount]</p> <p>(<i>N.B. In cases where the Final Redemption Amount is Index Linked, Share Linked, GDR/ADR Linked or Fund Linked, insert the following sub-</i></p>

paragraphs)

- (a) Underlying Asset(s): [As specified in paragraph[s] [21] [22] [23] [24] below]
- (b) Provisions for determining Final Redemption Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund is impossible or impracticable or otherwise disrupted: [See paragraph[s] [21] [22] [23] [24] below]
19. Provisions for determining final redemption amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund:
- (a) FRA 1: [Applicable] [Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (ii) Final Index Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
- (b) FRA 2: [Applicable][Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (ii) Final Index Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
- (iii) Minimum FRA: [●] [zero] per cent.
- (iv) Maximum FRA: [●] per cent.] [Not Applicable]
- (c) FRA 3: [Applicable] [Not Applicable]
- Final Share Basket Valuation Date: [As specified in the Product Conditions] [[●] Common Scheduled Trading Days prior to the Maturity Date]
- (d) FRA 4: [Applicable] [Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (ii) Final Share Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
20. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on an event of default or on an illegality (or otherwise in accordance with the terms and conditions of the Notes): [Market Value less Associated Costs] [[●] per Calculation Amount]
- (N.B. In the case of Index Linked, Share Linked, GDR/ADR Linked and Fund Linked, consider deducting the cost to the Issuer and/or its affiliates of unwinding or adjusting any underlying or related funding and/or hedging arrangements in respect of the Notes)*

PROVISIONS RELATING TO TYPE OF NOTES

21. Index Linked Conditions: [Applicable] [Not Applicable]
- (a) Index/Basket of Indices: [The index] [Each of the indices] set out under the heading "**Index**" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Index**" [each, an "**Index**" and together the "**Indices**" or "**Basket of Indices**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Index**", "**Bloomberg Code**", "**Index Sponsor**", "**Type of Index**", "**Exchange**", "**Related Exchange**", "**Index Currency**" [, "**Initial Level**" [, "**Barrier Level**" [, "**Automatic Early Redemption Trigger**"] [and] ["**Coupon Strike**"] (*insert additional columns as applicable*) applicable to [an] [the] Index shall have the corresponding meanings set forth against such Index in the table below.

Index	Bloomberg Code	Index Sponsor	Type of Index	Exchange	Related Exchange	Index Currency	[Initial Level]	[Barrier Level]	[Automatic Early Redemption Trigger]	[Coupon Strike] ⁴
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]

- (b) Index Performance: [As specified in the Index Linked Conditions] [Not Applicable]
- (c) Initial Level: [The amount set out under the heading "Initial Level" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Index Linked Conditions]
- (d) Barrier Event (intraday): [Applicable – for the purposes of the definition of "Barrier Event (intraday)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] is applicable] [Not Applicable]

[Market Disruption Event taken into account]

[if not applicable, then may delete the following sub-paragraph]

Barrier Event Determination Day(s): [As specified in the Index Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [

⁴ Only applicable if Underlying Asset Linked Interest Notes is applicable.

-], [●] and [●]]
- (e) Barrier Event (closing) [Applicable – for the purposes of the definition of "Barrier Event (closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]
- Barrier Event Determination Day(s): [As specified in the Index Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]
- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (f) Barrier Level: [The amount set out under the heading "Barrier Level" in "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (g) Averaging: [Applicable] [Not Applicable] [if not applicable, then may delete the following sub-paragraph]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (h) Valuation Date(s): [●] [Final Index Valuation Date] [Each/The Interest Valuation Date]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (i) Valuation Time: [As specified in the Index Linked Conditions]
- (j) Observation Date(s): [●] [Each Automatic Early Redemption Reference Date] [Not Applicable] [if not applicable, then may delete the following sub-paragraph]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled

Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]

(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)

(k) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*

(i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable]

(ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable]

(l) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:

[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]

22. Share Linked Conditions: [Applicable] [Not Applicable]

(a) Share(s)/Basket of Shares: [The] [Each of the] [ordinary shares] [depository receipts] of the relevant Share Company set out under the heading "**Share Company**" in "Specific Information relating to the Underlying Asset(s)" below (each a "**Share**" and together, the "**Shares**" [or the "**Basket of Shares**")]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Share Company**", "**ISIN of Share**", "**Bloomberg Code**", "**Exchange**", "**Related Exchange**", "**Local Jurisdiction**" [, "**Initial Price**" [, "**Barrier Level**" [, "**Strike Price**" [, "**Coupon Strike**" [, "**Automatic Early Redemption Trigger**" [and] ["**Automatic Early Redemption Knock-Out Price**"] *(insert additional columns as appropriate)* applicable to [a][the] Share shall have the corresponding meanings set forth against the [relevant] Share Company in the table below.

Share Company	ISIN of Share	Bloomberg Code	Exchange	Related Exchange	Local Jurisdiction	[Initial Price]	[Barrier Level]	[Strike Price] ⁵	[Coupon Strike] ⁶	[Automatic Early Redemption Trigger] ⁷	[Automatic Early Redemption Knock-Out Price] ⁸
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [([●] per cent. of Initial Price)]	[●] [([●] per cent. of Initial Price)]	[●] [([●] per cent. of Initial Price)]	[●] (([●] per cent. of Initial Price)	[●] [([●] per cent. of Initial Price)]
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not	[●]	[●]	[●] [([●] per	[●] [([●] per	[●] [([●] per	[●] (([●] per cent. of	[●] [([●] per cent. of

⁵ Only applicable if FRA 4 is applicable for determining the Final Redemption Amount.

⁶ Only applicable if Underlying Asset Linked Interest Notes is applicable.

⁷ May only be applicable where "Automatic Early Redemption" is applicable.

⁸ May only be applicable where "Automatic Early Redemption" is applicable.

				Applicable]			cent. of Initial Price)]	cent. of Initial Price)]	cent. of Initial Price)]	Initial Price)	Initial Price)]
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(b) Share Performance: [As specified in the Share Linked Conditions] [Not Applicable]

[Share Performance is rounded to four decimal places]

(c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Share Linked Conditions]

(d) Barrier Event (intraday): [Applicable - for the purposes of the definition of "Barrier Event (intraday)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]

[Market Disruption Event taken into account]

[if not applicable, then may delete the following sub-paragraph]

– Barrier Event Determination Day(s): [As specified in the Share Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]

(e) Barrier Event (closing): [Applicable – for the purposes of the definition of "Barrier Event (closing)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]

[if not applicable, then may delete the following sub-paragraph]

– Barrier Event Determination Day(s): [As specified in the Share Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]

(f) Barrier Level: [The amount set out under the heading "Barrier Level" in "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

(g) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*

(i) Averaging Dates: [●]

- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]

(*N.B. May only be applicable in relation to Share Linked Notes relating to a Basket*)
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement [Applicable] [Not Applicable]
- (h) Valuation Date(s): [●] [Final Share Valuation Date] [Final Share Basket Valuation Date] [Each/The Interest Valuation Date]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]

(*N.B. May only be applicable in relation to Share Linked Notes relating to a Basket*)
- (i) Valuation Cut-Off Date Amendment: [Applicable] [Not Applicable]

[●] [Common Scheduled Trading Days]
- (j) Valuation Time: [As specified in the Share Linked Conditions]
- (k) Observation Date(s): [●] [Each Automatic Early Redemption Reference Date] [Not Applicable] [*if not applicable, the may delete the following sub-paragraph*]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]

(*N.B. May only be applicable in relation to Share Linked Notes relating to a Basket*)
- (l) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Adjusted as a Basket Observation Date] [Adjusted as a Basket Valuation Date]
- (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Adjusted as a Basket Observation Date] [Adjusted as a Basket Valuation Date]

- (m) Tender Offer: [Applicable] [Not Applicable] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity]
- (n) Share Substitution: [Applicable. Share Substitution Criteria are as specified in the Share Linked Conditions] [Not Applicable]
[if not applicable, then may delete the following sub-paragraph]
- [- Affected Share Strike Date:] [As specified in the Share Linked Conditions] *[specify other date]*
- (o) Local Tax Adjustment: [Not Applicable]
 [Applicable. Local Jurisdiction is set out in "Specific Information relating to the Underlying Asset(s)" above. [Where Local Jurisdiction is specified to be "United States" then this shall mean the United States of America's federal and/or state and/or local taxes and/or any political subdivision thereof]]
- (p) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
 [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Initial Stock Loan Rate: [●]]
 [Insolvency Filing]
 [Loss of Stock Borrow]
 [Maximum Stock Loan Rate: [●]]]
- [(q) Trading Disruption Amendment:] [Applicable] *(N.B. Delete if FRA 3 is not applicable)*
- [(r) Adjustments for Merger Event, De-listing, Nationalisation or Insolvency:] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity] *(N.B. Delete if FRA 3 is not applicable)*
23. GDR/ADR Linked Conditions: [Applicable] [Not Applicable]
(For GDR/ADR Linked Notes complete sections for Share Linked Notes (paragraph 23 above) (completed and amended as appropriate) and this Section)
- (a) Partial Lookthrough: [Applicable] [Not Applicable]
- (b) Full Lookthrough: [Applicable] [Not Applicable]
24. Fund Linked Conditions: [Applicable] [Not Applicable]
- (a) Fund/Basket of Funds: [[The/Each] fund set out under the heading "Fund" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Fund**"] [each, a "**Fund**" and together the "**Funds**" or "**Basket of Funds**"]].]
 [[The/Each] exchange traded fund set out under

the heading "ETF" in "Specific Information relating to the Underlying Asset(s)" below ([the "ETF"] [each, an "ETF" and together the "ETFs"]).]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms ["Fund"], ["ETF"], ["ISIN of Fund"], ["ISIN of Fund Share"], "Bloomberg Code" [, "Fund Interest"] [, "Exchange", "Related Exchange"] [, "Weight"] [, "Initial Price"] [and "Underlying Index"] (*insert additional columns as appropriate*) applicable to [a/an/the] [Fund/ETF] shall have the corresponding meanings set forth against such [Fund/ETF] in the table below.

[Fund][ETF]	ISIN of Fund [Share]	Bloomberg Code	[Fund Interest] ⁹	[Exchange] ¹⁰	[Related Exchange] ¹¹	[Weight] ¹²	[Initial Price] ¹³	[Underlying Index] ¹⁴
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●]

(b) Fund Performance: [As specified in the Fund Linked Conditions] [Not Applicable]

(c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Fund Linked Conditions] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)

(d) Barrier Event (intraday): [Applicable] [Not Applicable]

– Barrier Event Determination Day: [As specified in the Fund Linked Conditions]
[For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Observation Period is applicable]
[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]

(e) Barrier Event (closing): [Applicable] [Not Applicable]

– Barrier Event Determination Day: [As specified in the Fund Linked Conditions]
[For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Observation Period is applicable]

⁹ May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs).

¹⁰ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹¹ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹² May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Funds.

¹³ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹⁴ May only be applicable in relation to Exchange Traded Funds (ETFs).

- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (f) Barrier Level: [●] [[equal to] [●] per cent. of the Initial Price] [Not Applicable]
- (g) Averaging: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]
- (i) Averaging Dates: [insert dates]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified*) [Not Applicable]
- (*N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket*)
- (ii) Omission: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (iii) Postponement: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (iv) Modified Postponement: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (h) Valuation Date(s): [●] [ETF Valuation Date] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified*) [Not Applicable]
- (*N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket*)
- (i) Valuation Time: [As specified in the Fund Linked Conditions] [*specify other*] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (j) Observation Date(s): [●] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified*) [Not Applicable]
- (*N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket*)

- (k) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (l) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]
- (m) Merger Date (*Fund Linked Condition 11*): [As specified in the "Merger Event" definition in Fund Linked Condition 11] [Merger Date is on or before [●]] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
25. Physical Delivery Notes: [Applicable] [Not Applicable]
(N.B. Not applicable to Swedish Notes)
[Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery]
[The provisions of Annex 6 of the Terms and Conditions - *Additional Terms and Conditions for Physical Delivery Notes* shall apply.]
- (a) Entitlement:
- (i) FRA 1: [Applicable] [Not Applicable]
- (ii) FRA 3: [Applicable] [Not Applicable]
- Specified Residual Share Amount: [●] [Not Applicable]
- (iii) FRA 4: [Applicable] [Not Applicable]
- Specified Entitlement Amount: [●] [Not Applicable]
- Specified Residual Share Amount: [●] [Not Applicable]
- (iv) FX Conversion: [Applicable] [Not Applicable]
- (b) Cut-Off Date: [As specified in the Physical Delivery Note Conditions] [[●] Business Days prior to the Maturity Delivery Date]
- (c) Guaranteed Cash Settlement Amount: [As specified in Note Condition 3] [●]
- (d) Failure to Deliver due to Illiquidity: [Applicable] [Not Applicable]

- (e) Issuer's option to vary [Applicable] [Not Applicable]
Settlement:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes [on 60 calendar days' notice expiring at least 30 calendar days after the Exchange Date or upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Bearer Notes [on 60 calendar days' notice expiring at least 30 calendar days after the Exchange Date or upon an Exchange Event]]
- [Global Registered Note exchangeable for Definitive Registered Notes in the limited circumstances described in the Global Registered Note]
- (Ensure that this is consistent with the wording in the "Form of the Securities" section in the Base Prospectus and the Notes themselves.)*
- OR**
- [Swedish Notes.
- The Swedish Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*).]
27. New Global Note: [Yes] [No]
28. Payment Day: [Following] [Modified Following]
29. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] [give details]
- (N.B. This item relates to the place of payment and not Interest Period end dates to which items 17(c) and 19(f) relate)*
- [- London:] [Not Applicable] [Insert if London is excluded for the purposes of the "Payment Day" definition in Condition 5(F)]
30. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable] [insert instalments]
- (b) Instalment Date(s): [Not Applicable] [insert date]
31. Redenomination: Redenomination [Applicable] [Not Applicable]

32. Payment Disruption (*Condition 5(I)*): [Applicable] [Not Applicable] *[if not applicable, delete the following sub-paragraphs]*
- (a) Payment Disruption Event: [Applicable] [Not Applicable]
- (b) CNY Payment Disruption Event: [Applicable] [Not Applicable] *[if not applicable, delete the following sub-paragraphs]*
- (i) CNY Settlement Centre: [The Hong Kong Special Administrative Region] [●]
- (ii) Extension: [Applicable] [Not Applicable]
- (iii) Payment Postponement: [Applicable] [Not Applicable]
- (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
- (c) Base Currency: [As specified under paragraph [33]] (*N.B. insert Base Currency if not specified in paragraph 33*)
- (d) Subject Currency: [As specified under paragraph [33]] (*N.B. insert Subject Currency if not specified in paragraph 33*)
- (e) Specified Financial Centre(s): [●] [As specified under paragraph [33]] (*N.B. insert Specified Financial Centre if not specified in paragraph 33*)
33. Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (a) Currency Price: [Applicable] [Not Applicable]
- (b) Base Currency: [●]
- (c) Subject Currency: [●]
- (d) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Currency: [●]
- (ii) RC/BC Price Source: [●]
- (iii) RC/BC Valuation Time: [●]
- (iv) RC/SC Price Source: [●]
- (v) RC/SC Valuation Time: [●]
- (e) Specified Rate: [An amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
- (f) FX Specified Price: The [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]

- (g) FX Price Source(s): [●]
- (h) Specified Financial Centre(s): [●] [Not Applicable]
- (i) FX Valuation Time: [●]
- (j) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (k) Successor Currency: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Successor Currency Reference Date: [Exchange Rate Strike Date] [other]
- (l) Rebasing: [Applicable] [Not Applicable]

DISTRIBUTION

34. Method of distribution: [Syndicated] [Non-syndicated]
35. (a) If syndicated, [names and addresses] of Managers [and underwriting commitments]: [Not Applicable] *[give names, [and addresses and underwriting commitments]]*
- (Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*
- (b) Date of Subscription Agreement: [●][Not Applicable]
36. If non-syndicated, name [and address] of relevant Dealer: [Not Applicable] *[give name [and address]]*
37. Calculation Agent: [Merrill Lynch International] *[specify other]*
38. [Total commission and concession: [●] per cent. of the Aggregate Nominal Amount]
39. U.S. Selling Restrictions: [TEFRA D] [TEFRA D not applicable]
40. Non-exempt Offer: [Not Applicable][An offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]* ("**Public Offer Jurisdiction[s]**") during the period from [(and including)] *[specify date]* to [(and including)] *[specify date]* ("**Offer Period**") by [the/each] [Dealer/Manager] [and the following financial intermediary(ies):[.]]
- [Name and address of financial intermediary(ies):
- (specify names and addresses of other financial intermediary(ies) making non-exempt offer)]*
- (together, [with the [Dealer[s]/Manager[s]], the

"Initial Authorised Offerors")

See further Paragraph [9] of Part B below.

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in the relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application [has been] [will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Irish Stock Exchange/ Euronext Amsterdam by NYSE Euronext/ NASDAQ OMX Stockholm/ Nordic Derivatives Exchange Stockholm [with effect from [●]]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/London Stock Exchange plc/Eurolist by Euronext Paris S.A./Euronext Amsterdam by NYSE Euronext/other with effect from [●].] [Not Applicable.]

(N.B. Notes issued by MLBV with over 364 days between Issue Date and Maturity Date must be listed on a "recognised stock exchange".)

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

2. RATINGS

Ratings:

[The Notes have not been rated.]

(The above disclosure should be included in the event that the Notes have not been rated)

[The Notes to be issued have been rated:

[Standard & Poor's Financial Services LLC: [●]]

[Moody's Investors Service, Inc.: [●]]

[Other: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011.] [[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011.] [[Insert credit rating agency] is not established in the European Union but [insert endorsing credit rating agency], which is registered under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, has indicated that it intends to endorse the ratings of [insert credit rating agency] where possible.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency

established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended by Regulation (EU) No. 513/2011 the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the [Managers] [Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *(amend as appropriate if there are other interests)*

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for offer: [●]]

(See "Use of Proceeds of the Notes" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)

(ii) Estimated net proceeds: [●] *(If proceeds are intended for more than one use will need to split out and present in order or priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)*

(iii) Estimated total expenses: [●] *(Expenses are required to be broken down into each principal intended to "use" and presented in order of priority of such "uses")* [Not Applicable]

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required)

5. YIELD (Fixed Rate Notes only)

Indication of yield: The yield is [●]

6. HISTORIC INTEREST RATES (Floating Rate Notes only)*

Details of historic [EURIBOR] [LIBOR] [HIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR] rates can be obtained from [Reuters].

7. PERFORMANCE OF THE UNDERLYING ASSET(S) AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET(S)

[Need to include details of where past and future performance and volatility of [the] [each] Underlying Asset can be obtained].

[Where the Underlying Asset is an index need to include details of where the information about [the] [each] index can be obtained.]

8. **OPERATIONAL INFORMATION**

- (i) ISIN: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme*, the relevant address(es) and the relevant identification number(s): [Not Applicable] *[give name(s), address(es) and number(s)]*
- (iv) Delivery: Delivery [against] [free of] payment
- (v) Names and addresses of initial Paying Agents:
- (vi) Registrar: [●]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [●]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

9. **[TERMS AND CONDITIONS OF THE OFFER]**

Offer Price: [Issue Price.] *[specify]* [The/Each] Authorised Offeror (as defined below) will offer and sell the Notes to their customers in accordance with arrangements in place between [the/such] Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.

Conditions to which the offer is subject: [Offers of Notes are conditional on their issue and are subject to *[specify conditions]*. As between [the/each] Authorised Offeror and its customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]

Description of the application process:	[An Investor (as defined in the Summary) will purchase the Notes in accordance with the arrangements in place between the relevant Authorised Offeror[s] and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes.]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	There are no pre-identified allotment criteria. The Authorised Offeror will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations [and/or as otherwise agreed between them].
Details of the method and time limits for paying up and delivering the Notes:	[The Notes will be purchased by [the/each] Authorised Offeror from the Issuer on a delivery [against][free of] payment basis on the Issue Date. Prospective Investors will be notified by the [relevant] Authorised Offeror[s] of their allocations of Notes and the settlement arrangements in respect thereof.]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Prospective Investors will be notified by the relevant Authorised Offeror[s] in accordance with the arrangements in place between the relevant Authorised Offeror and its customers. Any dealings in the Notes that takes place will be at the risk of the prospective Investor.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[The Initial Authorised Offeror[s] identified in paragraph [40] above [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer (as defined in the Summary) and who are identified on the website of the Issuer as an Authorised Offeror] (together, the " Authorised Offerors ")]

Name(s) and address(es) of the [Not Applicable][*give details*]
entities which have a firm
commitment to act as intermediaries
in secondary market trading,
providing liquidity through bid and
offer rates:

* Delete if the securities are Derivative Securities.

10. **[INDEX DISCLAIMER]**

[*In the case of Index Linked Notes, insert the relevant index disclaimer*]]

/INSERT SUMMARY OF THE NOTES/

FORM OF WHOLESALE FINAL TERMS OF THE NOTES

[Date]

MERRILL LYNCH B.V. (the "Issuer")

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Merrill Lynch B.V. and Merrill Lynch International & Co. C.V. Note, Warrant and Certificate Programme unconditionally and irrevocably guaranteed as to payment and delivery obligations by Bank of America Corporation

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Member State of the European Economic Area (each a "**Relevant Member State**")) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the base prospectus dated 11 March 2013 (the "**Base Prospectus**") [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agents for the time being in London and Luxembourg and copies may be obtained from 2 King Edward Street, London, EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[Include whichever of the following apply or specify as "Not Applicable" or delete relevant provision]

1. (a) Series Number: [●]
(b) Tranche Number: [●]

[(to be consolidated and form a single series with the [insert amount and name of the existing Series] issued on [insert issue date of the existing Series] (in the case of fungible issues only)]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount:

- (a) [Series:] [●]
- (b) [Tranche:] [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
5. (a) Specified Denominations: [●]
- (Notes (including Notes denominated in Sterling) in respect of which the [issue proceeds] are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a [redemption value] of £100,000 (or its equivalent in other Specified Currencies))*
- (If the Notes have a maturity of 183 calendar days or less from their date of issue, the minimum denomination must be at least U.S.\$500,000 or its equivalent in any other currency)*
- (b) Calculation Amount: [●]
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. Trade Date: [●] [Following Business Day Adjustment]
7. Strike Date: [●] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (a) Strike Date is Adjusted as an Observation Date: [Applicable] [Not Applicable]
- (b) Strike Date is Adjusted as a Valuation Date: [Applicable] [Not Applicable]
8. [(a)] Issue Date [and Interest Commencement Date]: [●]
- [(b)] Interest Commencement Date (if different from the Issue Date): [●]
9. Maturity Date: [●] *[Fixed Rate Note – specify date] [Floating Rate Note – Interest Payment Date falling on or nearest to [specify month]] (the "Scheduled Maturity Date").*
- [Scheduled Maturity Date is Business Day Adjusted] [if Scheduled Maturity Date is not specified to be Business Day Adjusted, then may delete the following sub-paragraph]*

- Maturity Business Day [Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Preceding Business Day Convention]
10. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR] [EURIBOR] [HIBOR] [STIBOR]
[SIBOR] [TIBOR] [Dollar LIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Index Linked]
[Share Linked]
[GDR/ADR Linked]
[Non-Interest bearing]
[(further particulars specified below)]
11. (a) Redemption/Payment Basis: [Redemption at par]
[Index Linked]
[Share Linked]
[GDR/ADR Linked]
[Fund Linked]
[Instalment]
[(further particulars specified below)]
- (b) Redemption method: [Cash Settled Notes] [Cash Settled Notes and/or Physical Delivery Notes]
12. Change of Interest Basis: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (a) Interest Basis A: [[●] per cent. Fixed Rate]
[(further particulars specified below)]
- (b) Interest Basis A Commencement Date(s): [Issue Date] [Interest Commencement Date] [Issue Date and Interest Commencement Date] *[specify other]*
- (c) Interest Basis B: [Index Linked]
[Share Linked]
[GDR/ADR Linked]
[(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Notes: [Applicable] [Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually] [semi-annually] [quarterly] [bi-monthly] [monthly] in arrear]
- (b) Scheduled Fixed Interest Payment Date(s): [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date] *[specify other]*
- (c) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (d) Additional Business Centre(s): [●] [Not Applicable]
- (e) Fixed Coupon Amount(s): [[●] per Calculation Amount] [Not Applicable]

- (f) Broken Amount(s): ☐ per Calculation Amount payable on the Fixed Interest Payment Date falling on ☐ [Not Applicable]
- (Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))*
- (g) Day Count Fraction: ☐ Actual/Actual (ICMA)] ☐ Actual/Actual (ISDA)] ☐ Actual/Actual] ☐ Actual/365 (Fixed)] ☐ Actual/365 (Sterling)] ☐ Actual/360] ☐ 30/360 (ICMA)] ☐ 30/360] ☐ 360/360] [Bond Basis] ☐ 30E/360] [Eurobond Basis] ☐ 30E/360 (ISDA)]
- (N.B. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)*
- (h) Determination Date(s): ☐ in each year] [Not Applicable]
- (N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
14. Floating Rate Notes: ☐ Applicable] [Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: ☐ ☐ in each calendar [year] [month] from and including ☐ up to and including the Scheduled Maturity Date]
- Interest Period: ☐ Unadjusted] [Adjusted]
- (If the Interest Period(s) are Adjusted, specify the relevant Business Day Convention at paragraph 14(b) below. If Interest Period(s) are Unadjusted, no Business Day Convention should be specified)*
- (b) Business Day Convention: ☐ Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (c) Additional Business Centre(s): ☐ [Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: ☐ Screen Rate Determination] ☐ ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): ☐
- (f) Screen Rate Determination: ☐ Applicable] [Not Applicable]
- Reference Rate: ☐ month [LIBOR] [HIBOR] [EURIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR]

- Interest Determination Date(s): [●]
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR. Specify other.)
- Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Specified Time: [●]
- Relevant Financial Centre: [London] [Brussels] [Stockholm] [Hong Kong] [Singapore] [Tokyo]
- (g) ISDA Determination:
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (h) Margin(s): [+/-] [●] per cent. per annum
- (i) Minimum Rate of Interest: [●] per cent. per annum
- (j) Maximum Rate of Interest: [●] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- 15. Zero Coupon Notes: [Applicable] [Not Applicable]
 - (a) Accrual Yield: [●] per cent. per annum
 - (b) Reference Price: [●]
 - (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(E)(c) and 6(J) apply] *(Consider applicable day count fraction if not U.S.\$ denominated)*
- 16. Underlying Asset Linked Interest Notes: [Applicable] [Not Applicable]

- (a) Underlying Asset(s): [As specified in paragraph[s] [21] [22] [23] [24] below]
- (b) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR:
- (i) Interest 1: [Applicable] [Not Applicable]
 - (ii) Interest 2: [Applicable] [Not Applicable]
 - (iii) Interest 3: [Applicable] [Not Applicable]
 - (iv) Specified Rate of Interest A: [●] per cent. per annum
 - (v) Specified Interest Amount A: [●] [Not Applicable]
 - (vi) Specified Rate of Interest B: [●] per cent. per annum
 - (vii) Specified Interest Amount B: [●] [Not Applicable]
 - (viii) Interest Valuation Date: [[Tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date]
 - First Scheduled Interest Valuation Date: [●] *(N.B. To be deleted if not required to be specified)*
- (c) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or Fund is impossible or impracticable or otherwise disrupted: [As specified in paragraph[s] [21] [22] [23] [24]]
- (d) Underlying Asset Linked Interest Commencement Date: [●] [Not Applicable]
- (e) Scheduled Interest Payment Dates: [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date] [Scheduled Interest Payment Dates are set out in the Product Specific Information Table below]

- (f) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (g) Additional Business Centre(s): [●][Not Applicable]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360 (ICMA)]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

[PRODUCT SPECIFIC INFORMATION TABLE] (N.B. May be deleted if not required)

The terms ["Scheduled Interest Payment Date"], ["Scheduled Automatic Early Redemption Reference Date"] ["Automatic Early Redemption Knock-Out Price"] (insert additional columns as applicable) applicable to [a] [the] Note[s] shall have the corresponding meanings set forth in the table below ("Product Specific Information Table").

[Scheduled Interest Payment Date] ¹	[Scheduled Automatic Early Redemption Reference Date] ² (insert exact dates on which the Automatic Early Redemption Reference Dates are scheduled to fall on)	[Automatic Early Redemption Knock-Out Price] ³		
		[Share Company]	[Share Company]	[Share Company]
[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)
[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)

17. Automatic Early Redemption: [Applicable] [Not Applicable]
- (a) Automatic Early Redemption Event: [Automatic Early Redemption Event 1]
[Automatic Early Redemption Event 2]
[Automatic Early Redemption Event 3]
- (b) Automatic Early Redemption Amount: [[●] per Calculation Amount] [[●] per cent. of Calculation Amount]

¹ To be included only for Underlying Asset Linked Interest Notes.

² To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

³ To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

- (c) Automatic Early Redemption Date: [Each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] [Each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] [Each Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date [and the Excluded Interest Payment Date]] [[●] Business Days following each Automatic Early Redemption Reference Date]
- (d) Automatic Early Redemption Reference Date: [[Tenth][●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] (*N.B. Insert if Fixed Rate only*)
- [[Tenth][●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] (*N.B. Insert if Share Linked only or Index Linked only*)
- [[Tenth][●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date [other than the Excluded Interest Payment Date] and [tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] (*N.B. Insert if Change of Interest Basis is applicable*)
- [Each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the Product Specific Information Table above] (*N.B. Insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date*)
- [●] (*N.B. Insert if Product Specific Information Table is not used to list specific Scheduled Automatic Early Redemption Reference Date(s)*)
- First Scheduled Automatic Early Redemption Reference Date: [●] (*N.B. To be deleted if not required to be specified*)
- (e) Automatic Early Redemption Trigger: [●] [Automatic Early Redemption Trigger is set out in "Specific Information Relating to the Underlying Asset(s)" below] [Not Applicable] (*N.B. Only applicable for Automatic Early Redemption Event 1 and Automatic Early Redemption Event 3*)
- (f) Automatic Early Redemption [●] [Automatic Early Redemption Knock-Out Price is set out in "Specific Information relating to

- Knock-Out Price: the Underlying Asset(s)" below] [Not Applicable]
(N.B. Only applicable for Automatic Early Redemption Event 2)
- [(g) Excluded Interest Payment Date: [●] (N.B. To be deleted if not required to be specified)]
18. Final Redemption Amount of each Note: [[●] per Calculation Amount]
- (N.B. In cases where the Final Redemption Amount is Index Linked, Share Linked, GDR/ADR Linked or Fund Linked, insert the following subparagraphs)
- (a) Underlying Asset(s): [As specified in paragraph[s] [21] [22] [23] [24] below]
- (b) Provisions for determining Final Redemption Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund is impossible or impracticable or otherwise disrupted: [See paragraph[s] [21] [22] [23] [24] below]
19. Provisions for determining final redemption amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund:
- (a) FRA 1: [Applicable] [Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (ii) Final Index Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
- (b) FRA 2: [Applicable][Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (ii) Final Index Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
- (iii) Minimum FRA: [●] [zero] per cent.
- (iv) Maximum FRA: [●] per cent. [Not Applicable]
- (c) FRA 3: [Applicable] [Not Applicable]
- Final Share Basket Valuation Date: [As specified in the Product Conditions] [[●] Common Scheduled Trading Days prior to the Maturity Date]
- (d) FRA 4: [Applicable] [Not Applicable]
- (i) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]

- (ii) Final Share Valuation Date: [As specified in the Product Conditions] [[●] Scheduled Trading Days prior to the Maturity Date]
20. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on an event of default or on an illegality (or otherwise in accordance with the terms and conditions of the Notes): [Market Value less Associated Costs] [[●] per Calculation Amount]
- (N.B. In the case of Index Linked, Share Linked, GDR/ADR Linked and Fund Linked, consider deducting the cost to the Issuer and/or its affiliates of unwinding or adjusting any underlying or related funding and/or hedging arrangements in respect of the Notes)*

PROVISIONS RELATING TO TYPE OF NOTES

21. Index Linked Conditions: [Applicable] [Not Applicable]
- (a) Index/Basket of Indices: [The index] [Each of the indices] set out under the heading "**Index**" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Index**" [each, an "**Index**" and together the "**Indices**" or "**Basket of Indices**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Index**", "**Bloomberg Code**", "**Index Sponsor**", "**Type of Index**", "**Exchange**", "**Related Exchange**", "**Index Currency**", "**Initial Level**", "**Barrier Level**", "**Automatic Early Redemption Trigger**" [and] "**Coupon Strike**" (insert additional columns as applicable) applicable to [an] [the] Index shall have the corresponding meanings set forth against such Index in the table below.

Index	Bloomberg Code	Index Sponsor	Type of Index	Exchange	Related Exchange	Index Currency	Initial Level	Barrier Level	Automatic Early Redemption Trigger	Coupon Strike ⁴
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●] [[●] per cent. of Initial Level)]	[●] ([●] per cent. of Initial Level)	[●] [[●] per cent. of Initial Level)]
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●] [[●] per cent. of Initial Level)]	[●] ([●] per cent. of Initial Level)	[●] [[●] per cent. of Initial Level)]

- (b) Index Performance: [As specified in the Index Linked Conditions][Not Applicable]
- (c) Initial Level: [The amount set out under the heading "Initial Level" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Index Linked Conditions]
- (d) Barrier Event (intraday): [Applicable – for the purposes of the definition of "Barrier Event (intraday)" in the Index Linked

⁴ Only applicable if Underlying Asset Linked Interest Notes is applicable.

		Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] is applicable] [Not Applicable]
		[Market Disruption Event taken into account]
		<i>[if not applicable, then may delete the following sub-paragraph]</i>
	Barrier Event Determination Day(s):	[As specified in the Index Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]
		[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
(e)	Barrier Event (closing)	[Applicable – for the purposes of the definition of "Barrier Event (closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]
		<i>[if not applicable, then may delete the following sub-paragraph]</i>
	Barrier Event Determination Day(s):	[As specified in the Index Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]
		[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
(f)	Barrier Level:	[The amount set out under the heading "Barrier Level" in "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
(g)	Averaging:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraph]</i>
	- Common Scheduled Trading Days:	[Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]
		<i>(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)</i>
(i)	Averaging Date(s):	[●]
(ii)	Omission:	[Applicable] [Not Applicable]
(iii)	Postponement:	[Applicable] [Not Applicable]
(iv)	Modified Postponement:	[Applicable] [Not Applicable]
(h)	Valuation Date(s):	[●] [Final Index Valuation Date] [Each/The Interest Valuation Date]

- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]

(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (i) Valuation Time: [As specified in the Index Linked Conditions]
- (j) Observation Date(s): [●] [Not Applicable]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]

(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (k) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable] [if not applicable, then may delete the following sub-paragraphs]
 - (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable]
 - (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (l) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]
- 22. Share Linked Conditions: [Applicable] [Not Applicable]
 - (a) Share(s)/Basket of Shares: [The] [Each of the] [ordinary shares] [depository receipts] of the relevant Share Company set out under the heading "**Share Company**" in "Specific Information relating to the Underlying Asset(s)" below (each a "**Share**" and together, the "**Shares**" [or the "**Basket of Shares**")]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Share Company**", "**ISIN of Share**", "**Bloomberg Code**", "**Exchange**", "**Related Exchange**", "**Local Jurisdiction**" [, "**Initial Price**" [, "**Barrier Level**" [, "**Strike Price**" [, "**Coupon Strike**" [, "**Automatic Early Redemption Trigger**" [and] ["**Automatic Early Redemption Knock-Out Price**"] (insert additional columns as appropriate) applicable to [a][the] Share shall have the corresponding meanings set forth against the [relevant] Share Company in the table below.

Share Company	ISIN of Share	Bloomberg Code	Exchange	Related Exchange	Local Jurisdiction	[Initial Price]	[Barrier Level]	[Strike Price] ⁵	[Coupon Strike] ⁶	[Automatic Early Redemption Trigger] ⁷	[Automatic Early Redemption Knock-Out Price] ⁸
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]	[●] [[●] per cent. of Initial Price)]

(b) Share Performance: [As specified in the Share Linked Conditions] [Not Applicable]

[Share Performance is rounded to four decimal places]

(c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Share Linked Conditions]

(d) Barrier Event (intraday): [Applicable - for the purposes of the definition of "Barrier Event (intraday)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]

[Market Disruption Event taken into account]

[if not applicable, then may delete the following sub-paragraph]

– Barrier Event Determination Day(s): [As specified in the Share Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]

(e) Barrier Event (closing): [Applicable – for the purposes of the definition of "Barrier Event (closing)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not

⁵ Only applicable if FRA 4 is applicable for determining the Final Redemption Amount.

⁶ Only applicable if Underlying Asset Linked Interest Notes is applicable.

⁷ May only be applicable where "Automatic Early Redemption" is applicable.

⁸ May only be applicable where "Automatic Early Redemption" is applicable.

		Applicable]
		<i>[if not applicable, then may delete the following sub-paragraph]</i>
–	Barrier Event Determination Day(s):	[As specified in the Share Linked Conditions] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Observation Period is applicable] [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
(f)	Barrier Level:	[The amount set out under the heading "Barrier Level" in "Specific Information relating to the Underlying Asset(s)" above] [●] [being [●] per cent. of the Initial Price] [Not Applicable]
(g)	Averaging:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraph]</i>
(i)	Averaging Dates:	[●]
-	Common Scheduled Trading Days:	[Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable] <i>(N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)</i>
(ii)	Omission:	[Applicable] [Not Applicable]
(iii)	Postponement:	[Applicable] [Not Applicable]
(iv)	Modified Postponement	[Applicable] [Not Applicable]
(h)	Valuation Date(s):	[●] [Final Share Valuation Date] [Final Share Basket Valuation Date] [Each/The Interest Valuation Date]
-	Common Scheduled Trading Days:	[Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable] <i>(N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)</i>
(i)	Valuation Cut-Off Amendment:	[Applicable] [Not Applicable] [●] [Common Scheduled Trading Days]
(j)	Valuation Time:	[As specified in the Share Linked Conditions]
(k)	Observation Date(s):	[●] [Not Applicable]
-	Common Scheduled	[Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled

- Trading Days: Trading Days are applicable, either Common or Individual Disrupted Days must be specified.) [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)*
- (l) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- [if not applicable, then may delete the following sub paragraph]*
- (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Adjusted as a Basket Observation Date] [Adjusted as a Basket Valuation Date]
- (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Adjusted as a Basket Observation Date] [Adjusted as a Basket Valuation Date]
- (m) Tender Offer: [Applicable] [Not Applicable] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity]
- (n) Share Substitution: [Applicable. Share Substitution Criteria are as specified in the Share Linked Conditions] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Affected Share Strike Date:] [As specified in the Share Linked Conditions] [specify other date]
- (o) Local Tax Adjustment: [Not Applicable]
- [Applicable. Local Jurisdiction is set out in "Specific Information relating to the Underlying Asset(s)" above. [Where Local Jurisdiction is specified to be "United States" then this shall mean the United States of America's federal and/or state and/or local taxes and/or any political subdivision thereof]]
- (p) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
- [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Initial Stock Loan Rate: [●]]
- [Insolvency Filing]
- [Loss of Stock Borrow]
- [Maximum Stock Loan Rate: [●]]]
- [(q) Trading Disruption Amendment:] [Applicable] *(N.B. Delete if FRA 3 is not applicable)*

- [(r) Adjustments for Merger Event, De-listing, Nationalisation or Insolvency:] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity] (*N.B. Delete if FRA 3 is not applicable*)
23. GDR/ADR Linked Conditions: [Applicable] [Not Applicable]
- (For GDR/ADR Linked Notes complete sections for Share Linked Notes (paragraph 23 above) (completed and amended as appropriate) and this Section)
- (a) Partial Lookthrough: [Applicable] [Not Applicable]
- (b) Full Lookthrough: [Applicable] [Not Applicable]
24. Fund Linked Conditions: [Applicable] [Not Applicable]
- (a) Fund/Basket of Funds: [[The/Each] fund set out under the heading "Fund" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Fund**"] [each, a "**Fund**" and together the "**Funds**" or "**Basket of Funds**"].]
- [[The/Each] exchange traded fund set out under the heading "ETF" in "Specific Information relating to the Underlying Asset(s)" below ([the "**ETF**"] [each, an "**ETF**" and together the "**ETFs**"].]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms ["**Fund**"], ["**ETF**"], ["**ISIN of Fund**"], ["**ISIN of Fund Share**"], "**Bloomberg Code**" [, "**Fund Interest**"] [, "**Exchange**", "**Related Exchange**"] [, "**Weight**"] [, "**Initial Price**"] [and "**Underlying Index**"] (*insert additional columns as appropriate*) applicable to [a/an/the] [Fund/ETF] shall have the corresponding meanings set forth against such [Fund/ETF] in the table below.

[Fund][ETF]	ISIN of Fund [Share]	Bloomberg Code	[Fund Interest] ⁹	[Exchange] ¹⁰	[Related Exchange] ¹¹	[Weight] ¹²	[Initial Price] ¹³	[Underlying Index] ¹⁴
[•]	[•]	[•]	[•]	[•]	[•] [All Exchanges] [Not Applicable]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•][All Exchanges] [Not Applicable]	[•]	[•]	[•]

- (b) Fund Performance: [As specified in the Fund Linked Conditions] [Not Applicable]

⁹ May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs).

¹⁰ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹¹ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹² May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Funds.

¹³ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹⁴ May only be applicable in relation to Exchange Traded Funds (ETFs).

- (c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Fund Linked Conditions] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (d) Barrier Event (intraday): [Applicable] [Not Applicable]
- Barrier Event Determination Day: [As specified in the Fund Linked Conditions]
- [For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Observation Period is applicable]
- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (e) Barrier Event (closing): [Applicable] [Not Applicable]
- Barrier Event Determination Day: [As specified in the Fund Linked Conditions]
- [For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Observation Period is applicable]
- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (f) Barrier Level: [●] [Not Applicable]
- (g) Averaging: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraphs*]
- (i) Averaging Dates: [*insert dates*]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified*) [Not Applicable]
- (*N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket*)
- (ii) Omission: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (iii) Postponement: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (iv) Modified Postponement: [Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (h) Valuation Date(s): [●] [ETF Valuation Date] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled*

	Trading Days:]	Trading Days are applicable, either Common or Individual Disrupted Days must be specified) [Not Applicable] (N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket)
(i)	Valuation Time:	[As specified in the Fund Linked Conditions] [specify other] [Not Applicable] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))
(j)	Observation Date(s):	[●][Not Applicable] [if not applicable, then may delete the following sub-paragraph]
	[- Common Scheduled Trading Days:]	[Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified) [Not Applicable] (N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket)
(k)	Observation Period:	[Applicable: [Extension] [No Extension]] [Not Applicable] [if not applicable, then may delete the following sub-paragraphs]
	(i) Observation Period Start Date:	[[●] ([Including] [Excluding])] [Not Applicable]
	(ii) Observation Period End Date:	[[●] ([Including] [Excluding])] [Not Applicable]
(l)	Additional Disruption Events:	[Not Applicable] [The following Additional Disruption Events apply to the Notes: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]]
(m)	Merger Date (Fund Linked Condition 11):	[As specified in the "Merger Event" definition in Fund Linked Condition 11] [Merger Date is on or before [●]][Not Applicable] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))
25.	Physical Delivery Notes:	[Applicable] [Not Applicable]

(N.B. Not applicable to Swedish Notes)

[Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery]

[The provisions of Annex 6 of the Terms and Conditions - *Additional Terms and Conditions for Physical Delivery Notes* shall apply.]

- (a) Entitlement:
 - (i) FRA 1: [Applicable] [Not Applicable]
 - (ii) FRA 3: [Applicable] [Not Applicable]
 - Specified Residual Share Amount: [●] [Not Applicable]
 - (iii) FRA 4: [Applicable] [Not Applicable]
 - Specified Entitlement Amount: [●] [Not Applicable]
 - Specified Residual Share Amount: [●] [Not Applicable]
 - (iv) FX Conversion: [Applicable] [Not Applicable]
- (b) Cut-Off Date: [As specified in the Physical Delivery Note Conditions] [[●] Business Days prior to the Maturity Delivery Date]
- (c) Guaranteed Cash Settlement Amount: [As specified in Note Condition 3] [●]
- (d) Failure to Deliver due to Illiquidity: [Applicable] [Not Applicable]
- (e) Issuer's option to vary Settlement: [Applicable] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes [on 60 calendar days' notice expiring at least 30 calendar days after the Exchange Date or upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Bearer Notes [on 60 calendar days' notice expiring at least 30 calendar days after the Exchange Date or upon an Exchange Event]]

[Global Registered Note exchangeable for Definitive Registered Notes in the limited circumstances described in the Global Registered Note]

(Ensure that this is consistent with the wording in the "Form of the Securities" section in the Base Prospectus and the Notes themselves.)

OR

[Swedish Notes.

The Swedish Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*).]

- | | | |
|-----|--|---|
| 27. | New Global Note: | [Yes] [No] |
| 28. | Payment Day: | [Following] [Modified Following] |
| 29. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable] <i>[give details]</i>

<i>(N.B. This item relates to the place of payment and not Interest Period end dates to which items 17(c) and 19(f) relate)</i> |
| | [– London:] | [Not Applicable] <i>[Insert if London is excluded for the purposes of the "Payment Day" definition in Condition 5(F)]</i> |
| 30. | Details relating to Instalment Notes: | |
| | (a) Instalment Amount(s): | [Not Applicable] <i>[insert instalments]</i> |
| | (b) Instalment Date(s): | [Not Applicable] <i>[insert date]</i> |
| 31. | Redenomination: | Redenomination [Applicable] [Not Applicable] |
| 32. | Payment Disruption (<i>Condition 5(I)</i>): | [Applicable] [Not Applicable] <i>[if not applicable, delete the following sub-paragraphs]</i> |
| | (a) Payment Disruption Event: | [Applicable] [Not Applicable] |
| | (b) CNY Payment Disruption Event: | [Applicable] [Not Applicable] <i>[if not applicable, delete the following sub-paragraphs]</i> |
| | (i) CNY Settlement Centre: | [The Hong Kong Special Administrative Region] [•] |

- (ii) Extension: [Applicable] [Not Applicable]
 - (iii) Payment Postponement: [Applicable] [Not Applicable]
 - (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
- (c) Base Currency: [As specified under paragraph [33]] *(N.B. insert Base Currency if not specified in paragraph 33)*
- (d) Subject Currency: [As specified under paragraph [33]] *(N.B. insert Subject Currency if not specified in paragraph 33)*
- (e) Specified Financial Centre(s): [●][As specified under paragraph [33]] *(N.B. insert Specified Financial Centre if not specified in paragraph 33)*
- 33. Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (a) Currency Price: [Applicable] [Not Applicable]
 - (b) Base Currency: [●]
 - (c) Subject Currency: [●]
 - (d) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Currency: [●]
 - (ii) RC/BC Price Source: [●]
 - (iii) RC/BC Valuation Time: [●]
 - (iv) RC/SC Price Source: [●]
 - (v) RC/SC Valuation Time: [●]
 - (e) Specified Rate: [An amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
 - (f) FX Specified Price: The [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
 - (g) FX Price Source(s): [●]
 - (h) Specified Financial Centre(s): [●] [Not Applicable]
 - (i) FX Valuation Time: [●]
 - (j) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
 - (k) Successor Currency: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*

- Successor Currency [Exchange Rate Strike Date] *[other]*
Reference Date:

(l) Rebasing: [Applicable] [Not Applicable]

DISTRIBUTION

34. Calculation Agent: [Merrill Lynch International] *[specify other]*

35. [Total commission and concession: [●] per cent. of the Aggregate Nominal Amount]

36. U.S. Selling Restrictions: [TEFRA D] [TEFRA D not applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application [has been] [will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Irish Stock Exchange/ Euronext Amsterdam by NYSE Euronext/ NASDAQ OMX Stockholm/ Nordic Derivatives Exchange Stockholm [with effect from [●]]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Euronext Paris S.A./ Euronext Amsterdam by NYSE Euronext/ other with effect from [●].] [Not Applicable.]

(N.B. Notes issued by MLBV with over 364 days between Issue Date and Maturity Date must be listed on a "recognised stock exchange".)

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: [The Notes have not been rated.]

(The above disclosure should be included in the event that the Notes have not been rated)

[The Notes to be issued have been rated:

[Standard & Poor's Financial Services LLC: [●]]
[Moody's Investors Service, Inc.: [●]]
[Other: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011.] [[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EU) No. 1060/2009, as amended by

Regulation (EU) No. 513/2011.] *[[Insert credit rating agency]* is not established in the European Union but *[insert endorsing credit rating agency]*, which is registered under Regulation (EU) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, has indicated that it intends to endorse the ratings of *[insert credit rating agency]* where possible.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended by Regulation (EU) No. 513/2011 the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the [●], [●] and [●] (the "**Managers**")/[●] (the "**Dealer**"), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *(amend as appropriate if there are other interests)*

4. **YIELD** *(Fixed Rate Notes only)*

Indication of yield: The yield is [●]

5. **HISTORIC INTEREST RATES** *(Floating Rate Notes only)**

Details of historic [EURIBOR] [LIBOR] [HIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR] rates can be obtained from [Reuters].

6. **PERFORMANCE OF THE UNDERLYING ASSET(S) AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET(S)**

[Need to include details of where past and future performance and volatility of [the] [each] Underlying Asset can be obtained].

[Where the Underlying Asset is an index need to include details of where the information about [the] [each] index can be obtained.]

7. **OPERATIONAL INFORMATION**

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme*, the relevant address(es) and the relevant identification number(s): [Not Applicable] *[give name(s), address(es) and number(s)]*

(iv) Delivery: Delivery [against] [free of] payment

- (v) Names and addresses of initial Paying Agents:
- (vi) Registrar: [●]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [●]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

8. **[INDEX DISCLAIMER]**

[In the case of Index Linked Notes, insert the relevant index disclaimer]]

[INSERT SUMMARY OF THE NOTES]

TERMS AND CONDITIONS OF THE NOTES

*The following are the "Terms and Conditions of the Notes" which will be incorporated by reference into each Global Note (as defined below), each Bearer Note (as defined below) in definitive form (a "**Definitive Bearer Note**") and each individual note certificate (an "**Individual Note Certificate**") representing a Registered Note (as defined below) in definitive form (a "**Definitive Registered Note**"), and in the case of Definitive Bearer Notes or Individual Note Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by MLBV and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Individual Note Certificate will have endorsed thereon or attached thereto such Terms and Conditions. The Terms and Conditions will also apply to, and be incorporated by reference into, Swedish Notes (as defined below). The applicable Final Terms (as defined below) in relation to any Tranche (as defined below) of Notes may specify which of the following Terms and Conditions (including the Additional Terms and Conditions described below) apply to such Notes and will complete such Terms and Conditions (including the Additional Terms and Conditions described below) as applicable. The Registration Document (the "**Registration Document**") relating to the Programme and applicable Summary and Securities Note (the "**Securities Note**") relating to a particular series of Notes may also be used in connection with the issue of Notes under the Programme and such applicable Securities Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. To the extent that Notes are issued pursuant to a Securities Note, references in the following Terms and Conditions to the "Final Terms" shall be read as references to the "Securities Note" in respect of such series of Notes, and all such references shall be construed accordingly. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note, Definitive Bearer Note and Individual Note Certificate and will constitute a part of the Conditions of the Swedish Notes. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*The additional Terms and Conditions contained in (i) Annex 1 in respect of settlement (the "**Product Conditions**") and (ii) Annex 2 in the case of Index Linked Notes, Annex 3 in the case of Share Linked Notes, Annex 4 in the case of GDR/ADR Linked Notes, Annex 5 in the case of Fund Linked Notes and Annex 6 in the case of Physical Delivery Notes (each as defined below) (the "**Underlying Asset Conditions**"), together with the Product Conditions, the "**Additional Terms and Conditions**") will apply to the Notes if specified in the applicable Final Terms.*

This Note is one of a Series (as defined below) of notes (the "**Notes**") issued by Merrill Lynch B.V. "**MLBV**" or the "**Issuer**").

References herein to the "Notes" shall be references to the Notes of a Series and shall mean:

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

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 11 March 2013 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made among MLBV, Merrill Lynch International & Co. C.V., Bank of America Corporation ("**BAC**" or the "**Guarantor**"), Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**") and if so specified in the applicable Final Terms, as calculation agent (the "**Calculation Agent**"), Deutsche Bank Luxembourg, S.A., Skandinaviska Enskilda Banken AB (publ) as Swedish paying agent (the "**Swedish Paying Agent**") (together with the Principal Paying Agent, the "**Paying Agents**" which expression shall include any additional or successor paying agents), Deutsche Bank, Luxembourg S.A. as registrar

(the "**Registrar**") and the other agents named therein. References herein to the "**Agents**" are to the Registrar, the Paying Agents and any reference to an "Agent" is to any one of them.

Interest bearing Definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached.

The applicable Final Terms (the "**Final Terms**") for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to, endorsed on or constituting a part of the Note which supplement and complete these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") for the purposes of the Note. References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) attached to, endorsed on or constituting a part of the Note.

The Additional Terms and Conditions will apply to the Notes to the extent specified in the applicable Final Terms, and such Additional Terms and Conditions, as applicable, shall form part of the Terms and Conditions.

The payment of principal, interest and all other amounts payable and/or delivery of non-cash consideration deliverable in respect of the Notes are unconditionally and irrevocably guaranteed by BAC pursuant to a guarantee (the "**Guarantee**") dated 11 March 2013 executed by BAC. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office.

Any reference to "**Noteholders**" or "**Holders**" in relation to any Bearer Notes shall mean the bearers of the Notes and, in relation to any Registered Notes, shall mean the person in whose name a Registered Note is registered and in relation to any Notes represented by a Global Note, shall be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices (each as defined below).

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Notes Deed of Covenant (the "**Notes Deed of Covenant**") dated 11 March 2013 and made by the Issuer. The original of the Notes Deed of Covenant is held by a common depositary for Euroclear and Clearstream, Luxembourg (each as defined below) (the "**Common Depositary**").

Copies of the Agency Agreement, the Guarantee and the Notes Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar. Copies of the applicable Final Terms are available for viewing at the specified office of the Issuer, the Paying Agents or the Registrar (as applicable) and copies may be obtained from those specified offices save that, if the Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the relevant Paying Agent or the Registrar (as applicable) as to its holding of such Notes and identity. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Notes Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") and, in the case of Definitive Bearer Notes and Individual Note Certificates, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination, or subdivided or reissued in a smaller denomination. Bearer Notes with maturities of 183 calendar days or less will have a minimum denomination of U.S.\$500,000 (or its equivalent in other currencies). Unless otherwise specified in the applicable Final Terms, the Notes will be issued in Classic Global Note ("**CGN**") form.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Share Linked Interest Notes, GDR/ADR Linked Interest Notes, or a combination of any of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The Notes may be Instalment Notes, Index Linked Redemption Notes (together with Index Linked Interest Notes, "**Index Linked Notes**"), Share Linked Redemption Notes (together with Share Linked Interest Notes, "**Share Linked Notes**"), GDR/ADR Linked Redemption Notes (together with GDR/ADR Linked Interest Notes, "**GDR/ADR Linked Notes**"), Fund Linked Redemption Notes ("**Fund Linked Notes**"), or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

If the applicable Final Terms specifies that the Note is a Physical Delivery Note, being a Note to be redeemed by delivery of the Entitlement, Annex 6 to the Terms and Conditions – "*Additional Terms and Conditions for Physical Delivery Notes*" shall apply.

Subject as set out below:

- (a) title to the Bearer Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes except in the case of any Global Note, as provided below;
- (b) title to Registered Notes shall, subject to mandatory rules of law, pass by registration in the Register that MLBV shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or Euroclear France S.A. ("**Euroclear France**"), each person (other than Euroclear, Clearstream, Luxembourg or Euroclear France) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or Euroclear France as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or Euroclear France as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Guarantor, the Registrar and the Paying Agents, as applicable, as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Bearer Note or the registered holder of the relevant Global Registered Note shall be

treated by the Issuer, the Guarantor, the Registrar and any Paying Agent, as applicable, as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expression "**Holder**" and related expressions shall be construed accordingly).

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or Euroclear France shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Registrar or the Principal Paying Agent, as applicable, from time to time and notified to the Noteholders in accordance with Condition 14 (*Notices*).

Swedish Note(s)

If the applicable Final Terms indicates that the Notes are to be issued into and cleared through the Swedish CSD, such Series of Notes ("**Swedish Notes**") will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish CSD Rules.

In the case of Swedish Notes, the holder of any such Notes will be the person in whose name such Note is registered in the Swedish Register in accordance with the Swedish CSD Rules and the reference to a person in whose name a Swedish Note is so registered shall include any person duly authorised to act as a nominee (in Swedish: *förvaltare*) and registered as such for the Swedish Notes and except as ordered by a court of competent jurisdiction or as required by law, such holder of such Notes shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expressions "**Holder**" and related expressions shall be construed accordingly).

All Swedish Notes of the same Series shall have the same denomination. For so long as it is a requirement under the Swedish CSD Rules, the specified currency for Swedish Notes may only be SEK or EUR, as specified in the relevant Final Terms.

The Issuer shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

If Notes are Swedish Notes, they will be Cash Settled Notes.

As used in the Terms and Conditions, the following expressions have the following meanings:

"Cash Settled Notes" means Notes specified to be Cash Settled Notes in the applicable Final Terms.

"Fund Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Fund Linked" in the applicable Final Terms.

"GDR/ADR Linked Interest Notes" means any Notes in respect of which Underlying Asset Linked Notes is specified to be applicable and the "Interest Basis" is specified to be "GDR/ADR Linked" in the applicable Final Terms.

"GDR/ADR Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "GDR/ADR Linked" in the applicable Final Terms.

"Index Linked Interest Notes" means any Notes in respect of which "Underlying Asset Linked Notes is specified to be applicable and the "Interest Basis" is specified to be "Index Linked" in the applicable Final Terms.

"Index Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Index Linked" in the applicable Final Terms.

"Register" means the register held by the Registrar in respect of Registered Notes.

"Share Linked Interest Notes" means any Notes in respect of which Underlying Asset Linked Notes is specified to be applicable and the "Interest Basis" is specified to be "Share Linked" in the applicable Final Terms.

"Share Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Share Linked" in the applicable Final Terms.

"Swedish CSD" means the Swedish central securities depository (*central värdepappersförvarare*) which is expected to be Euroclear Sweden AB.

"Swedish CSD Rules" means the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*) and any regulations, rules and operating procedures applicable to and issued by the Swedish CSD from time to time.

"Swedish Register" means the book-entry register maintained by the Swedish CSD on behalf of the Issuer in respect of Swedish Notes in accordance with Swedish CSD Rules.

2. Exchange and Transfer of Notes

(A) Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

(B) Transfer of Notes

(a) Notes held in Euroclear, the Swedish CSD, Clearstream, Luxembourg and Euroclear France

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

In the case of Swedish Notes, the Swedish Notes will be issued, cleared, settled and transferable only in accordance with the provisions of the Swedish CSD Rules. Title to Swedish Notes will pass by registration in the Swedish Register. Where a nominee is registered as a holder of Swedish Notes it shall be treated for all purposes as the holder of such Swedish Notes.

(b) Transfer of Definitive Registered Notes

Transfers of Definitive Registered Notes are effected upon (i) the surrender (at the specified office of the Registrar) of the Individual Note Certificate representing such Definitive Registered Notes to be transferred together with the form of transfer (which shall be available at the specified office of the Registrar) endorsed on such Individual Note Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require, (ii) the recording of such transfer in the Register and (iii) issuance of a new Individual Note Certificate to the transferee.

(c) Partial Transfer of Definitive Registered Notes

In the case of a transfer of part only of a holding of Definitive Registered Notes represented by one Individual Note Certificate, a new Individual Note Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(d) *Delivery of New Individual Note Certificates*

Each new Individual Note Certificate to be issued pursuant to this Condition 2(B) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the Individual Note Certificate for exchange. Delivery of the new Individual Note Certificate(s) shall be made at the specified office of the Registrar to whom delivery or surrender of such request for exchange, form of transfer, or Individual Note Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Individual Note Certificate (as applicable) to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify.

(e) *Closed Periods in respect of Definitive Registered Notes*

No Holder may require the transfer of a Definitive Registered Note to be registered:

- (i) during the period of 15 calendar days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (ii) after any such Note has been called for redemption; or
- (iii) during the period of seven days ending on (and including) any Record Date.

(f) *Exchange or Transfer Free of Charge*

Exchange and transfer of Notes on registration, transfer, partial redemption, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer, or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

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

(A) *Status of the Notes and Guarantee*

The Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws and regulations) with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Issuer.

The obligations of the Guarantor under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

(B) *Terms of the Guarantee*

Under the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed to the Noteholders, (i) the due and punctual payment of any and all amounts payable by the Issuer as obligor in respect of the Notes and (ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of the Notes, if applicable, when and as the same shall become due and payable or when the same shall become due for delivery pursuant to the Conditions and to the extent provided in the Guarantee. As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the holders of such Physical Delivery Notes when the same shall become due and deliverable, but in lieu thereof to pay an amount in cash equal to the Guaranteed Cash Settlement Amount. The "**Guaranteed Cash Settlement Amount**" in respect of each Note means an amount calculated pursuant to the terms of, or as specified in, the applicable Securities Note (if applicable) or, if not specified in the applicable Securities Note or if Final

Terms apply to the Note, an amount equal to the fair market value of the Entitlement in respect of such Note on any date notified as such by the Guarantor to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor in its sole and absolute discretion. Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Physical Delivery Notes.

4. **Redenomination**

(A) *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders on giving prior notice to the Principal Paying Agent, Registrar, Euroclear and Clearstream, Luxembourg and at least 30 calendar days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro. Notwithstanding the foregoing, Bearer Notes will not be redenominated at the election of the Issuer pursuant to this Condition 4 unless the Issuer receives an opinion of United States tax counsel recognised as an expert in such matters addressing the consequences of such redenomination under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D).

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent or Registrar, as applicable, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed, the Registrar and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;
- (c) if Definitive Bearer Notes or Definitive Registered Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of €100,000 and/or such higher amounts as the Agent or Registrar, as applicable, may determine and notify to the Noteholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 5 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Principal Paying Agent or Registrar, as applicable, may approve) €0.01 and such other denominations as the Principal Paying Agent or Registrar, as applicable, shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so

issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent or Registrar, as applicable, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 calendar days prior to any date for payment of principal or interest on the Notes;

- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
 - (ii) in the case of Definitive Bearer Notes and Definitive Registered Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

- (g) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Paying Agents and, in the case of Registered Notes, the Registrar and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in euro.

(B) *Definitions*

In the Terms and Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

"euro" means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4(A) (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

"Relevant Notes" means all Notes where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area.

"Treaty" means the Treaty establishing the European Community, as amended from time to time.

5. **Payments**

(A) *Method of payment*

Subject as provided below:

- (a) payments in a Specified Currency other than euro or U.S. dollars will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (c) payments in U.S. dollars will be made by transfer to a U.S. dollar account maintained by the payee with a bank outside of the United States (which expression, as used in these Conditions, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank; and
- (d) payments in CNY shall be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Centre in accordance with applicable laws, rules, regulations and guidelines.

Notwithstanding the foregoing, a cheque may not be delivered to an address in, a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States by any office or agency of the Issuer, the Guarantor, the Principal Paying Agent, or any Paying Agent.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

(B) *Payments in respect of Bearer Notes*

(a) *Presentation of Definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (A) above only against presentation and surrender

(or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Index Linked Redemption Notes, Share Linked Redemption Notes, GDR/ADR Linked Redemption Notes, Fund Linked Redemption Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9 (*Prescription*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Note, Share Linked Note, GDR/ADR Linked Note, Fund Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long **Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

(b) *Payments in respect of Global Bearer Notes*

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Bearer Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Bearer Note against presentation or surrender, as the case may be, of such Global Bearer Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Bearer Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Bearer Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

The holder of a Global Bearer Note shall be the only person entitled to receive payments or make a claim with respect to payments in respect of Notes represented by such Global Bearer Note and the Issuer or, as the case may be, the Guarantor will be

discharged by payment to, or to the order of, the holder of such Global Bearer Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or Euroclear France as the beneficial holder of a particular nominal amount of Notes represented by such Global Bearer Note must look solely to Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Bearer Note.

(C) *Payments in respect of Swedish Notes*

Payments of principal and/or interest in respect of Swedish Notes shall be made to the Holders registered as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the Swedish CSD Rules. Such day shall be the Record Date in respect of the Notes in accordance with the Swedish CSD Rules. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and will be made in accordance with the Swedish CSD Rules. All such payments will be made outside of the United States.

(D) *Payments in respect of Registered Notes*

(a) *Payments in respect of Definitive Registered Notes*

Payments of principal, instalments of principal (if any) and interest in respect of Definitive Registered Notes will (subject as provided below) be made in the manner provided in paragraph (A) above upon the surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Individual Note Certificate at the specified office of any Paying Agent outside the United States.

(b) *Payments in respect of Global Registered Notes*

All payments in respect of a Global Registered Note will be made to the person shown in the Register and, if no further payment falls to be made in respect of the Global Registered Notes, upon surrender of that Global Registered Note to or to the order of the Registrar. On each occasion on which a payment of principal or interest is made in respect of the Global Registered Note, the Issuer shall procure that the payment is noted in a schedule thereto.

(c) *Record Date*

Each payment in respect of a Definitive Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth calendar day before the due date for such payment (such date being the "**Record Date**" for Definitive Registered Notes). Where payment is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register on the Record Date in the case of Definitive Registered Notes and in the case of Global Registered Notes at the close of business on the business day for the relevant clearing system (being a day on which Euroclear, Clearstream, Luxembourg or Euroclear France, as applicable, is open for business) before the due date for payment (such date being the "**Record Date**" for Global Registered Notes).

(E) *General provisions applicable to payments*

Notwithstanding the foregoing provisions of this Condition 5, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make

payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(F) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until (i) if "Following" is specified in the applicable Final Terms, the next following Payment Day or (ii) if "Modified Following" is specified in the applicable Final Terms, the next following Payment Day unless that Payment Day falls in the next calendar month, in which case the first preceding Payment Day, in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation (in the case of a Definitive Bearer Notes);
 - (ii) London, unless specified as not applicable in the applicable Final Terms; and
 - (iii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (iii) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre.

(G) *Interpretation of principal and interest*

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Failure to Deliver Settlement Price (if any) in respect of the Notes;
- (f) the Disruption Cash Settlement Price (if any) in respect of the Notes;

- (g) the Partial Cash Settlement Amount (if any) in respect of the Notes;
- (h) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (i) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(E)(c) (*Early Redemption Amounts*)); and
- (j) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

(H) *Definition of Affiliate*

"**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.

(I) *Payment Disruption*

(a) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Final Terms specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant Notes of the occurrence of such Payment Disruption Event or CNY Payment Disruption Event, as the case may be, in accordance with Condition 14 (*Notices*).

(b) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(i) *Extension of relevant dates*

The Calculation Agent may extend the Interest Payment Date, the Maturity Date or any other date on which the Notes may be redeemed or any amount shall be due and payable in respect of the relevant Notes, subject to Condition 5(I)(e) (*Payment Event Cut-off Date*), to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 14 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Holders in accordance with Condition 14 (*Notices*).

(ii) *Obligation to pay postponed*

The Calculation Agent may postpone the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or any such other amounts in respect of the relevant Notes, subject to Condition 5(I)(e), until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 14 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring.

(iii) *Issuer's option to vary settlement upon occurrence of a Payment Disruption Event*

Notwithstanding the Issuer's right to extend the dates for payments in accordance with Condition 5(I)(b)(i) (*Extension of relevant dates*) or postpone payment in accordance with Condition 5(I)(b)(ii) (*Obligation to pay postponed*), as applicable, the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent;
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency;
- (3) in the case of Share Linked Notes, deliver the Shares in lieu of cash settlement; or
- (4) in the case of Share Linked Notes which reference a basket of Shares, elect to satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Notes by making a partial payment(s) or partial deliveries, as the case may be (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its sole and absolute discretion and shall be paid and/or delivered to the Holders *pro rata* (as far as possible, subject to any necessary adjustments for rounding) to the proportion of the Notes of the same series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its sole and absolute discretion, make any such corresponding adjustment to any variable relevant to the redemption or payment terms of the relevant Notes as it deems necessary and shall notify the relevant Holders thereof in accordance with Condition 14 (*Notices*).

Any payments or deliveries made in accordance with this Condition 5(I)(b)(iii) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with paragraphs (1) to (3)) and in part (in the case of Partial Distributions made in accordance with paragraph (4)) the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(c) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(i) *Extension of relevant dates*

If "Extension" is specified to be applicable in the applicable Final Terms, then Condition 5(I)(b)(i) (*Extension of dates*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(ii) *Obligation to pay postponed*

If "Payment Postponement" is specified to be applicable in the applicable Final Terms, then Condition 5(I)(b)(ii) (*Obligation to pay postponed*) shall apply,

provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(iii) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Final Terms, and the Calculation Agent determines that such CNY Payment Disruption Event is material in relation to the Issuer's obligations under the relevant Notes to pay any Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes on the relevant Interest Payment Date, Maturity Date, or such other date on which any amount in respect of the relevant Notes shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Holders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Interest Amount, Fixed Coupon Amount, Redemption Amount or other amount in respect of the relevant Notes.

(d) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (a) any payments made in accordance with Condition 5(I)(b) (*Consequences of a Payment Disruption Event*) or Condition 5(I)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be, shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (b) no interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of Condition 5(I)(b) (*Consequences of a Payment Disruption Event*) or Condition 5(I)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be.

(e) *Payment Event Cut-off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-off Date, the Interest Payment Date, the Maturity Date, or any other date on which any Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes shall be due and payable (as the case may be) for the relevant Notes shall fall on the Payment Event Cut-off Date. In such circumstances, the Holder will not receive any amounts. Thereafter, the Issuer shall have no obligations whatsoever under the Notes.

For the purposes of this Condition 5(I):

"Base Currency" means the currency specified as such in the applicable Final Terms;

"CNY" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

"CNY Payment Disruption Event" means the occurrence of any of the following events:

- (a) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Notes in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a "**CNY Inconvertibility Event**");

- (b) an event that makes it impossible or impractical for the Issuer to (i) deliver CNY between accounts inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a "**CNY Non-Transferability Event**"); and
- (c) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Notes (a "**CNY Non-Availability Event**");

"CNY Settlement Centre" means the financial centre(s) specified as such in the applicable Final Terms;

"Equivalent Amount" means, in respect of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the "**Relevant Amount**"), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

"Equivalent Amount Settlement Rate" means, in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China);

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Centre;

"impractical" or **"impracticality"** means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

"Payment Disruption Event" means:

- (a) the occurrence of either (a) an Inconvertibility Event and/or (b) a Non-Transferability Event (each as defined in Part 7 of Annex 1 – *Additional Product Terms and Conditions*);
- (b) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Holders in accordance with Condition 14 (*Notices*); or
- (c) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws

and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Notes;

"Payment Event Cut-off Date" means the date which is one year after the Maturity Date, or as determined by the Calculation Agent acting in good faith and notified to Holders in accordance with Condition 14 (*Notices*);

"Subject Currency" means the currency specified as such in the applicable Final Terms; and

"Subject Currency Jurisdiction" means the country for which the Subject Currency is the lawful currency.

6. **Redemption and Purchase**

(A) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or in the relevant Product Condition specified to be applicable in the Final Terms in the relevant Specified Currency on the Maturity Date or if the Notes are specified as Physical Delivery Notes in the applicable Final Terms, by delivery of the Entitlement (subject as provided in Annex 6 – *Additional Terms and Conditions for Physical Delivery Notes*) specified in the applicable Final Terms on the Maturity Date.

(B) *Redemption for Tax Reasons*

The Issuer may redeem the Notes, in whole, but not in part, at any time prior to maturity at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if: (i) the Issuer or the Guarantor shall determine that as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the United States or The Netherlands, as the case may be, or any political subdivision or taxing authority of or in the United States or The Netherlands, as applicable, affecting taxation, or any change in application or official interpretation of such laws, regulations or rulings, which amendment or change is effective on or after the latest Issue Date of the Notes, the Issuer would be required to pay additional amounts, as provided in Condition 8 (*Taxation*), on the occasion of the next payment due with respect to the Notes; (ii) any payment or deemed payment as determined for United States tax purposes with respect to the Notes or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the Notes may be treated as a dividend or "dividend equivalent" for United States tax purposes (such event being a **"U.S. Withholding Tax Event"**); or (iii) on the occasion of the next payment due in respect of the Notes, the Guarantor would be unable to procure the Issuer to make payment and, in making such payment itself under the Guarantee, the Guarantor would, as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any change in application or official interpretation of such laws, regulations or rulings, which amendment or change is effective on or after the latest Issue Date of the Notes, be required to pay additional amounts as provided in Condition 8 (*Taxation*).

The Notes are also subject to redemption in whole, but not in part, in the other circumstances described in Condition 8 (*Taxation*).

Notice of intention to redeem Notes will be given at least once in accordance with Condition 14 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such additional amounts remains in effect and cannot be avoided by the Issuer's taking reasonable measures available to it. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons

appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

(C) *Redemption for Tax Compliance Reasons*

The Issuer may, at its option, redeem the Notes, in whole or in part, at any time prior to maturity, at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if the Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA Provisions (as defined below), provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such Notes (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications or identifying information (such redemption, a "**Redemption for Tax Compliance Reasons**"). Upon a Redemption for Tax Compliance Reasons, Notes held by compliant Holders, in addition to those held by non-compliant Holders, may be redeemed.

Notice of intention to redeem Notes will be given in accordance with Condition 14 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

As used in these Terms and Conditions, the term "**FATCA Provisions**" means Section 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time.

(D) *Partial Redemption in respect of Definitive Registered Notes*

In the case of a partial redemption of a holding of Definitive Registered Notes represented by a single Individual Note Certificate, a new Individual Note Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Definitive Registered Notes of the same holding having different terms, separate Individual Note Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Individual Note Certificates shall only be issued against surrender of the existing Individual Note Certificate to the Registrar. In the case of a transfer of Definitive Registered Notes to a person who is already a Holder of Definitive Registered Notes, a new Individual Note Certificate representing the enlarged holding shall only be issued against surrender of the Individual Note Certificate representing the existing holding.

(E) *Early Redemption Amounts*

The Early Redemption Amount shall be calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note and excluding Notes specified in paragraph (d) below but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

- (d) in the case of Index Linked Notes, Share Linked Notes, GDR/ADR Linked Notes, or Fund Linked Notes, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be set out in the applicable Final Terms.

If "**Market Value less Associated Costs**" is specified as the Early Redemption Amount in the applicable Final Terms the Early Redemption Amount in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to Condition 10 (*Events of Default*), the second Business Day immediately preceding the due date for the early redemption of the Notes or (ii) in the case of redemption pursuant to Condition 10 (*Events of Default*), the due date for the early redemption of such Notes, represents the fair market value of such Notes (taking into account all factors which the Calculation Agent determines relevant) less Associated Costs, and provided that no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

As used herein:

"**Associated Costs**" means an amount per nominal amount of the Notes equal to the Calculation Amount equal to such Notes' *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer or any Affiliate in connection with such early redemption, including, without limitation, any costs associated with unwinding any funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

(F) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (G) above.

(G) *Illegality*

In the event that the Issuer determines in good faith that (i) the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes or (ii) the performance by the Guarantor of any of its obligations under the Guarantee in respect of the Notes, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 calendar days' notice to Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not less than all, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(H) *Purchases*

The Issuer, the Guarantor or any of their affiliates may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

(I) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (H) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(J) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (A), (B) or (C) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (E)(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five calendar days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

7. **Currency Substitution Event**

In the event that the Issuer and the Calculation Agent, in their discretion, determine that any Relevant Governmental Authority (as defined below) of a country, bloc of countries or other applicable sovereign entity or entities (each, an "**Applicable Jurisdiction**") announces or in any event effects (whether pursuant to legislation enacted for such purpose in the Applicable Jurisdiction, in accordance with or in breach of applicable international treaties, or in any other manner) the replacement of the lawful currency (the "**Initial Currency**") of an Applicable Jurisdiction with a substitute currency ("**Substitute Currency**") (for the avoidance of doubt, including circumstances in which a country (a "**Departing Country**") within a bloc of countries in a currency union passes legislation (or a Relevant Governmental Authority thereof announces that it will pass legislation or otherwise seeks) to effect or does effect the withdrawal of such Departing Country from the currency bloc and the replacement of the currency of the currency union with another currency as the official currency of the Departing Country) (any such event being a "**Currency Substitution Event**"), and:

- (a) the calculation of amounts to be paid or assets to be delivered under any Note is linked to one or more Underlying Asset(s), and the currency by which the Underlying Asset(s) and/or any component(s) thereof is priced, quoted or traded is (or, in the Issuer's reasonable opinion is likely to be), as a result of the Currency Substitution Event, redenominated from the Initial Currency into the Substitute Currency; and/or
- (b) the calculation of amounts to be paid or assets to be delivered under any Note is linked to one or more floating rates of interest based on or related to amounts denominated in the Initial Currency; and/or
- (c) the Hedging Arrangements (as defined below) in respect of any Note have been materially adversely affected by (A) the Currency Substitution Event and/or (B) capital

controls or other restrictions imposed by a Relevant Governmental Authority of the Applicable Jurisdiction, and the Hedging Party (as defined below) is unable, after using commercially reasonable efforts, to alter or modify the Hedging Arrangements and/or establish alternate Hedging Arrangements to fully account for the material adverse effect of (A) and/or (B) above,

then, unless otherwise provided in the applicable Final Terms, the Issuer and the Calculation Agent may, in their discretion:

- (x) make such adjustments, as shall be notified to each holder of the relevant Notes, to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Note as the Issuer determines appropriate to (i) (in the case of (a) or (b) above) preserve the economic terms of such Notes as of the Issue Date, including, without limitation, making any currency conversion necessary as part of any such adjustment based on the relevant official conversion rate or at an appropriate market rate of exchange determined by the Calculation Agent to be prevailing as of any relevant time and date, or (ii) (in the case of (c) above) account for the material adverse effect on the Hedging Arrangements and in order to effect a commercially reasonable result; or
- (y) redeem such Notes on such day as shall be notified to the relevant Holders and pay an early redemption amount (which shall be the fair market value of the Notes, taking into account the Currency Substitution Event and its consequences as described above, less any and all costs associated or incurred by the Issuer and/or any of its affiliates or agents in connection with such early redemption, including, without limitation, any costs associated with unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) as determined by the Calculation Agent in its sole and absolute discretion) to the holder in respect of each Note of the minimum denomination specified in the applicable Final Terms. The early redemption amount will include any unpaid interest accrued up to, but excluding, such redemption date.

For the avoidance of doubt, the circumstances and consequences described in this Condition 7 and any resulting or alternative adjustments to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Notes will not entitle any holder of such Notes (A) to any legal remedy, including, without limitation, rescission, repudiation, or renegotiation of the Notes, or (B) to raise any defence or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

For the purposes of this Condition 7:

"Hedging Arrangements" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under any Note.

"Hedging Party" means, the Issuer or any of the Issuer's affiliate(s) or any entity (or entities) acting on the Issuer's behalf engaged in any underlying or hedging transactions relating to any Note and/or underlying market measure(s) in respect of the Issuer's obligations under the Note.

"Relevant Governmental Authority" means, in relation to any Applicable Jurisdiction, any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of such Applicable Jurisdiction.

8. **Taxation**

- (A) The Issuer or the Guarantor, as the case may be, will, subject to certain limitations and exceptions (set forth below), pay to a Noteholder, Receiptholder or Couponholder who is a

United States Alien or a Netherlands Non-resident (each as defined below) such additional amounts as may be necessary so that every net payment of principal or interest or other amount with respect to the Notes, Receipts, Coupons or the Guarantee after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such Noteholder, Receiptholder or Couponholder, by the United States or The Netherlands or any political subdivision or taxing authority of or in the United States or The Netherlands, as the case may be, will not be less than the amount provided for in the Notes, Receipts, Coupons or the Guarantee to be then due and payable, as the case may be. Neither the Issuer nor the Guarantor shall be required to make any payment of additional amounts for or on account of:

- (a) any tax, assessment or other governmental charge or withholding under an agreement with a taxing authority which would not have been imposed but for (i) the existence of any present or former connection between such Noteholder, Receiptholder or Couponholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, Receiptholder or Couponholder, if such Noteholder, Receiptholder or Couponholder is an estate, trust, partnership or corporation) and the United States or The Netherlands, as the case may be, including, without limitation, such Noteholder, Receiptholder or Couponholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been present therein, being or having been a citizen or resident or treated as a resident of the United States or The Netherlands, as the case may be, or being or having been present or engaged in a trade or business in the United States or The Netherlands, as the case may be, or having or having had a permanent establishment in the United States or The Netherlands, as the case may be, or (ii) the presentation of a Note, Receipt or Coupon for payment on a date more than 15 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (b) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property or any similar tax, assessment or other governmental charge;
- (c) any tax, assessment or other governmental charge imposed by reason of such Noteholder's, Receiptholder's or Couponholder's past or present status as a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax-exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;
- (d) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payments of principal or interest or other amount with respect to the Notes, Receipts or Coupons;
- (e) any tax, assessment or other governmental charge imposed as a result of such Noteholder's, Receiptholder's or Couponholder's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
- (f) any tax, assessment or other governmental charge imposed as a result of such Noteholder, Receiptholder or Couponholder being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (g) any tax, assessment or other governmental charge required to be withheld or deducted where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (including, for the avoidance of doubt, the agreements concluded by each member of the European Union with several dependant or associated territories of the European Union, aiming to apply measures similar to the ones deriving from the European

Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such agreements);

- (h) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States or The Netherlands, as the case may be, of the Noteholder, Receiptholder or Couponholder or of the beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by Regulation of the United States Treasury Department or of the relevant Netherlands authority, as the case may be, as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (i) any tax, assessment, or governmental charge imposed solely because the payment is to be made by a particular Paying Agent or a particular office of a Paying Agent and would not be imposed if made by another agent or by another office of this agent;
- (j) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of Section 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time;
- (k) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the payment being treated as a dividend or "dividend equivalent" for United States tax purposes; or
- (l) any combination of paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) above,

nor shall additional amounts be paid to any United States Alien or Netherlands Non- resident, as the case may be, which is a fiduciary or partnership or other than the sole beneficial owner of the Note, Receipt or Coupon to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, Receipt or Coupon would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Note, Receipt or Coupon.

The term "**United States Alien**" means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

The term "**Netherlands Non-resident**" means any individual, corporation, partnership or any other entity that for Netherlands tax purposes is a non-resident individual, non-resident corporation, non-resident partnership or any other non-resident entity.

- (B) If the Issuer or the Guarantor shall determine that any payment made outside the United States by the Issuer, the Guarantor or any of the Paying Agents of the full amount of the next scheduled payment in respect of any Bearer Note, Receipt or Coupon would, under any present or future laws or regulations of the United States affecting taxation or otherwise, be subject to any certification, information or other reporting requirements of any kind, the effect of which requirements is the disclosure to the Issuer, the Guarantor, any of the Paying Agents or any governmental authority of the nationality, residence or identity (as distinguished from status as a United States Alien) of a beneficial owner of such Bearer Note, Receipt or Coupon who is a United States Alien (other than such requirements which (a) would not be applicable to a payment made by the Issuer or the Guarantor to a custodian, nominee or other agent of the beneficial owner, or which can be satisfied by such a custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided, however, in each case that payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirements referred to in this sentence, (b) are applicable only to

payment by a custodian, nominee or other agent of the beneficial owner to or on behalf of such beneficial owner, or (c) would not be applicable to a payment made by any other Paying Agent), the Issuer (at the election of the Guarantor) shall redeem the Notes as a whole but not in part at a redemption price equal to the Early Redemption Amount together, if applicable, with accrued interest to, but excluding, the date fixed for redemption, such redemption to take place on such date not later than one year after the publication of notice of such determination. If the Issuer or the Guarantor determines that such certification, information or other reporting requirements apply, the Issuer or the Guarantor shall give prompt notice of such determination (a "**Tax Notice**") in accordance with Condition 14 (*Notices*) stating in such notice the effective date of such certification, information or other reporting requirements and, if applicable, the date by which the redemption shall take place. Notwithstanding the foregoing, the Issuer shall not redeem Notes if the Issuer or the Guarantor shall subsequently determine not less than 30 calendar days prior to the date fixed for redemption that subsequent payments would not be subject to any such requirements, in which case the Issuer or the Guarantor shall give prompt notice of such determination in accordance with Condition 14 (*Notices*) and any earlier redemption notice shall thereby be revoked and of no further effect.

- (C) Notwithstanding the foregoing, if and so long as the certification, information or other reporting requirements referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer or the Guarantor may elect prior to publication of the Tax Notice to have the provisions described in this Condition 8(C) apply in lieu of the provisions described in Condition 8(B) (*Taxation*), in which case the Tax Notice shall state the effective date of such certification, information or reporting requirements and that the Issuer, failing which the Guarantor, has elected to pay additional amounts rather than redeem the Notes. In such event, the Issuer, failing which the Guarantor, will pay as additional amounts such amounts as may be necessary so that every net payment made following the effective date of such certification, information or reporting requirements outside the United States by the Issuer or any of the Paying Agents of principal or interest due with respect to a Bearer Note, Receipt or Coupon to a holder who certifies to the effect that the beneficial owner of such Note, Receipt or Coupon is a United States Alien (provided that such certification shall not have the effect of communicating to the Issuer or any of the Paying Agents or any governmental authority the nationality, residence or identity of such beneficial owner) after deduction of withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which (1) is imposed as a result of certification, information or other reporting requirements referred to in the second parenthetical clause of the first sentence of Condition 8(B) (*Taxation*), (2) is imposed as a result of the fact that the Issuer, the Guarantor, or any of the Paying Agents has actual knowledge that the holder or beneficial owner of such Note, Receipt or Coupon is not a United States Alien but is within the category of persons, corporations or other entities described in Condition 8(A)(a) (*Taxation*) above, or (3) is imposed as a result of presentation of such Note, Receipt or Coupon for payment more than 15 calendar days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Note, such Receipt or such Coupon to be then due and payable. In the event the Issuer or the Guarantor elect to pay such additional amounts, the Issuer will have the right, at its sole option, at any time, to redeem the Bearer Notes, as a whole but not in part at a redemption price equal to their Early Redemption Amount, together, if applicable, with accrued interest to the date fixed for redemption including any additional amounts required to be paid under this paragraph. If the Guarantor or the Issuer has made the determination described in Condition 8(B) (*Taxation*) with respect to certification, information or other reporting requirements applicable to interest only and subsequently makes a determination in the manner and of the nature referred to in Condition 8(B) (*Taxation*) with respect to such requirements applicable to principal, the Issuer will redeem the Bearer Notes in the manner and on the terms described in Condition 8(B) (*Taxation*) (except as provided below), unless the Guarantor or the Issuer elects to have the provisions of this Condition 8(C) apply rather than the provisions of Condition 8(B) (*Taxation*). If in such circumstances the Bearer Notes are to be redeemed, the Issuer and the Guarantor will be obligated to pay additional amounts with respect to interest, if any, accrued to the date of redemption. If the Guarantor or the Issuer has made the determination described in Condition 8(B) (*Taxation*) above and subsequently makes a determination in the manner and of the nature referred to in Condition 8(B) (*Taxation*) above that the level of withholding

applicable to principal or interest has been increased, the Issuer will redeem the Bearer Notes in the manner and on the terms described in Condition 8(B) (*Taxation*) above (except as provided below), unless the Guarantor or the Issuer elects to have the provisions of this Condition 8(C) apply rather than the provisions of Condition 8(B) (*Taxation*) above. If in such circumstances the Bearer Notes are to be redeemed, the Issuer and the Guarantor will be obligated to pay additional amounts with respect to the original level of withholding on principal and interest, if any, accrued to the date of redemption.

9. **Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(B) (*Payments in respect of Bearer Notes*) or any Talon which would be void pursuant to Condition 5(B) (*Payments in respect of Bearer Notes*).

10. **Events of Default**

(A) If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing in respect of any Series of Notes:

- (a) default shall be made in the payment of any amount of interest due in respect of any such Notes and the default continues for a period of 30 calendar days after the due date; or
- (b) default shall be made in the payment of any principal of any such Notes or in the delivery when due of the Entitlement in respect of any such Notes (in each case whether at maturity or upon redemption or otherwise); or
- (c) the Issuer or the Guarantor shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of such Notes or in the Agency Agreement or the Guarantee for the period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer or the Guarantor to remedy the same, first shall have been given to the Principal Paying Agent, the Issuer and the Guarantor by Holders of at least 33 per cent. of the aggregate principal amount of any such Notes outstanding; or
- (d) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to the Issuer or the Guarantor in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of the Issuer or the Guarantor or of all or substantially all of its property or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and unstayed for a period of 60 consecutive calendar days; or
- (e) the Issuer or the Guarantor shall institute proceedings for relief under any applicable bankruptcy, insolvency or any other similar law now or hereafter in effect, or shall consent to the institution of any such proceedings against it, or shall consent to the appointment of a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of it or of all or substantially all of its property, or shall make an assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing,

then the Holders of 33 per cent. in aggregate principal amount of such Notes outstanding may, at their option, declare such Notes to be due and payable immediately at the Early Redemption Amount, together with interest, if any, accrued thereon by written notice to the Issuer and the Guarantor and the Principal Paying Agent at its main office in London, and unless all such defaults shall have been cured by the Issuer or the Guarantor prior to receipt of such written notice, such Notes shall become and be immediately due and payable at the Early Redemption Amount, together with the interest, if any, accrued on such Notes.

At any time after such a declaration of acceleration with respect to such Notes has been made and before a judgment or decree for payment of the money due with respect to such Notes has been obtained by any Noteholder of such Notes, such declaration and its consequences may be rescinded and annulled upon the written consent of Holders of a majority in aggregate principal amount of such Notes then outstanding, or by resolution adopted by a majority in aggregate principal amount of such Notes outstanding present or represented at a meeting of Holders of such Notes at which a quorum is present, as provided in the Agency Agreement, if:

- (i) (A) the Issuer has paid or deposited with the Principal Paying Agent a sum sufficient to pay:
 - (1) all overdue amounts of interest on the Notes;
 - (2) the principal of Notes which has become due otherwise than by such declaration of acceleration; or
- (B) in the case of Notes to be redeemed by physical delivery, the Issuer has delivered the relevant assets to any agent appointed by the Issuer to deliver such assets to the Noteholders; and
- (ii) all Events of Default with respect to the Notes, other than the non-payment of the principal of the Notes which has become due solely by such declaration of acceleration, have been cured or waived as provided in paragraph (B) below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- (B) Any default by the Issuer or the Guarantor, other than the events described in paragraph (A)(a) or (A)(b) above, may be waived by the written consent of Holders of a majority in aggregate principal amount of the Notes then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such Notes then outstanding present or represented at a meeting of Holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement.

11. **Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. **Paying Agents, Registrar and Calculation Agent**

- (A) *Paying Agents and Registrar*

The names of the initial Paying Agent and the Registrar and their initial specified offices are set out below.

In the case of Swedish Notes, the Issuer has appointed the Swedish Security Agent. The Swedish Security Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency and trust with, the Holders.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent or the Registrar and/or appoint additional or other Paying Agents or Registrar and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as there is any Swedish Note outstanding, there will at all times be a Swedish CSD and a Swedish Security Agent (*Swedish: emissionsinstitut*); and
- (d) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(E) (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents and the Registrar act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent or the Registrar is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent or registrar, as applicable.

(B) *Calculation Agent*

In relation to each issue of Notes, the Calculation Agent (whether it be Merrill Lynch International or another entity) acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders, Receiptholders or Couponholders. All calculations and determinations made in respect of the Notes by the Calculation Agent shall be in its sole and absolute discretion, in good faith, and shall (save in the case of wilful default, bad faith, manifest error or proven error) be final, conclusive and binding on the Issuer, the Guarantor, the Paying Agents and the Noteholders, Receiptholders or Couponholders. The Calculation Agent shall promptly notify the Issuer and the Principal Paying Agent upon any such calculations and determinations, and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

13. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. Notices

All notices regarding the Notes will be deemed to be validly given:

- (a) if, in respect of notices to Holders of Definitive Registered Notes, mailed to them at their respective addresses in the Register. Such notices will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing;
- (b) if, in respect of notices to Holders of Definitive Bearer Notes, published in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers; or
- (c) if, in respect of any Notes that are admitted to trading on the regulated market of and listed on the Official List of the Luxembourg Stock Exchange, published in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

In the case of Swedish Notes, all notices to Holders shall be valid if delivered by mail to the address registered for such Holder in the Swedish Register or otherwise in accordance with the rules and regulations of the Swedish CSD.

Until such time as any Definitive Bearer Notes or Individual Note Certificates are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, as the case may be, be substituted for such publication in such newspaper(s) (as described in Condition 14(b) (*Notices*)) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as applicable for communication by them to the Holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Holders of the Notes on the day on which such notice was given to Euroclear and/or Clearstream, Luxembourg, as applicable.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with, in the case of any Definitive Bearer Notes, the relative Note or Notes, with the Principal Paying Agent or, in the case of Definitive Registered Notes, the relative Individual Note Certificate, with the Registrar. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar, as applicable through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or Registrar, as applicable and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Holders of Notes of a particular Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of such Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by the Noteholders holding not less than 33 per cent. in nominal amount of the Notes of the relevant Series for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing in the aggregate not less than 50 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount of the Notes so held or represented, except that at any meeting the

business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the Entitlement or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons present and holding or representing not less than two-thirds in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third in nominal amount of the Notes of the relevant Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of a particular Series shall be binding on all the Holders of Notes of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and/or the Registrar, as applicable, and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 calendar days after the later of the commencement of the offering of such further issue of Notes and the Issue Date of such further issue of Notes. In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

17. Consolidation or Merger

The Issuer or the Guarantor may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other company provided that in any such case, (i) (a) in the case of the Issuer, either the Issuer shall be the continuing company, or the successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, (including additional amounts as provided in Condition 8 (*Taxation*)) payable or deliverable, as applicable, with respect to the Notes, Receipts and Coupons, according to their tenor, and the due and punctual performance and observance of all of the obligations under the Conditions to be performed by the Issuer by an amendment to the Agency Agreement executed by, *inter alios*, such successor company, the Guarantor, the Registrar and the Principal Paying Agent, and (b) in the case of the Guarantor, the Guarantor shall be the continuing company, or the successor company shall be a company organised and existing under the laws of the United States or a state thereof or the District of Columbia and such successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, (including additional amounts as provided in

Condition 8 (*Taxation*)) payable or deliverable, as applicable, with respect to the Guarantee by the execution of a new guarantee of like tenor and (ii) immediately after giving effect to such transaction, no Event of Default under Condition 10 (*Events of Default*), and no event which, with notice or lapse of time or both, would become such an Event of Default shall have happened and be continuing. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor company, such successor company shall succeed to and be substituted for the Issuer or the Guarantor, as the case may be, with the same effect as if it had been named herein as the Issuer or the Guarantor, as the case may be, and the Issuer or the Guarantor, as the case may be, except in the event of a conveyance by way of lease, shall be relieved of any further obligations under the Conditions, the Agency Agreement and the Guarantee, as applicable.

18. **Business Days**

In these Terms and Conditions, "**Business Day**" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto (the "**TARGET2 System**") is open, or (3) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre.

19. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. **Governing Law and Submission to Jurisdiction**

(A) *Governing law*

The Agency Agreement, the Notes Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes Deed of Covenant, the Notes, the Receipts and the Coupons (including without limitation any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the Agency Agreement, the Notes Deed of Covenant, the Notes, the Receipts and the Coupons or their respective formation) shall be governed by, and construed in accordance with, English law.

The Guarantee is governed by, and shall be construed in accordance with, the laws of the State of New York.

(B) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the Notes, Receipts or Coupons ("**Proceedings**"), the courts of England have exclusive jurisdiction and the Issuer and the Noteholders, Receiptholders and Couponholders submit to the exclusive jurisdiction of the English courts. The Issuer and the Noteholders, Receiptholders and

Couponholders waive any objection to Proceedings in the English courts on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

For greater certainty, the Guarantor has not submitted to the jurisdiction of the English courts in the Guarantee, and claims under the Guarantee are required to be instituted in a federal court in the Borough of Manhattan in the City and State of New York.

(C) *Appointment of Process Agent*

The Issuer hereby appoints Merrill Lynch Corporate Services Limited currently at 2 King Edward Street, London, EC1A 1HQ as its agent in England to receive service of process in any Proceedings in England. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS OF THE NOTES

MLBV intends to use the net proceeds from the issue and sale of the Notes for general corporate purposes, including making general loans to affiliates.

FORM OF FINAL TERMS OF THE W&C SECURITIES

[Date]

[MERRILL LYNCH B.V.] [MERRILL LYNCH INTERNATIONAL & CO. C.V.]²⁹

[Title of W&C Securities]

under the Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.

**Note, Warrant and Certificate Programme
Unconditionally and irrevocably guaranteed as to payment and delivery obligations by Bank of
America Corporation**

Any person making or intending to make an offer of the W&C Securities may only do so[

- i. in the Public Offer Jurisdiction[s] mentioned in Paragraph [42] of Part A below, provided such person is one of the persons mentioned in Paragraph [42] of Part A below and that such offer is made during the Offer Period specified for such purpose therein; or
- ii. otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of W&C Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Member State of the European Economic Area (each a "**Relevant Member State**")) and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the base prospectus dated 11 March 2013 (the "**Base Prospectus**") [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the W&C Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer, the Guarantor and the offer of the W&C Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the W&C Securities (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified offices of the Security Agents for the time being in London, Luxembourg, New York City, Frankfurt, Paris and Stockholm and copies may be obtained from 2 King Edward Street, London EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[Include whichever of the following apply or specify as "Not Applicable" or delete relevant provision]

²⁹

Merrill Lynch B.V. may only issue Certificates. Merrill Lynch International & Co. C.V. may issue Warrants or Certificates.

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of W&C Securities issued	[No. of Warrants per Unit]	ISIN	Common Code	[Wertpapier-kennnummer (WKN) (German Security Code)]	[Mnemonic (insert in the case of a listing on Euronext Paris S.A.)]	Issue Price per [W&C Security/Unit (in the case of Warrants only)]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

1. Consolidation: [Not Applicable] [The W&C Securities are to be consolidated and form a single series with the *[insert title of relevant series of W&C Securities]* issued on *[insert issue date]*] (N.B. Only applicable in relation to W&C Securities which are fungible with an existing series of W&C Securities)
2. Type of W&C Securities:
 - (a) [Warrants] [Certificates]
 - (b) [Index Linked W&C Securities]
 - [and] [Share Linked W&C Securities]
 - [and] [GDR/ADR Linked W&C Securities]
 - [and] [Fund Linked W&C Securities]
3. Trade Date: [•] [Following Business Day Adjustment]
4. Strike Date: [•] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (a) Strike Date is Adjusted as an Observation Date: [Applicable] [Not Applicable]
 - (b) Strike Date is Adjusted as a Valuation Date: [Applicable] [Not Applicable]
 - (c) Strike Date is Adjusted as a Basket Observation Date: [Applicable] [Not Applicable]
 - (d) Strike Date is Adjusted as a Basket Valuation Date: [Applicable] [Not Applicable]
5. Issue Date: [•]
6. Exercise Date:
 - [[•] [Exercise Date is Business Day Adjusted]] (N.B. Only applicable in relation to European Style Warrants and Certificates) [Not Applicable] *[if not applicable or Exercise Date is not specified to be Business Day Adjusted, then may delete the following sub-paragraph]*
 - [– Exercise Date Business Day Convention:] [Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Preceding Business Day Convention]

7. Settlement Date: [●][As specified in LEPW Condition 9] (*N.B. For Share Linked Securities in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable*)
8. Number of W&C Securities being issued: The number of W&C Securities being issued is set out in "Specific Provisions for each Series" above
9. Issue Price: The issue price per [W&C Security] [Unit (*in relation to Warrants only*)] is set out in "Specific Provisions for each Series" above
10. Business Day Centre(s): [●]
11. Settlement: [Cash Settled W&C Securities] [and/or] [Physical Delivery W&C Securities]

(*N.B. Swedish Securities, Finnish Securities and Rule 144A Warrants may only be Cash Settled*)
12. Issuer's Option to Vary Settlement: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]

- Failure to Deliver due to Illiquidity: [Applicable] [Not Applicable]
13. Settlement Currency: [●]
14. Calculation Agent: [Merrill Lynch International] [*specify other*]

PROVISIONS RELATING TO WARRANTS

15. Type of Warrants: [European Style] [American Style] [Not Applicable]

(*N.B. Swedish Warrants and Finnish Warrants may only be European Style*)

If American Style and LEPW Conditions are not applicable:

[The Exercise Period in respect of the Warrants is from and including [●] to and including [●] [, or if [●] is not an Exercise Business Day, the immediately succeeding Exercise Business Day]]

If American Style and LEPW Conditions are applicable:

[The Exercise Period in respect of the Warrants is specified in the LEPW Condition 8]
16. Units: [Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in "Specific Provisions for each Series" above. (*N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" set out below*)]
[Not Applicable]

17. Exercise Price: [The Exercise Price per [Warrant] [Unit] is [●]]
[Not Applicable]
- (N.B. This should, in the case of Index Linked Warrants, be expressed as a monetary value)*
18. Automatic Exercise: [Applicable] [Not Applicable]
- (N.B. Automatic exercise will always apply to Swedish Warrants and Finnish Warrants)*
19. Minimum Exercise Number: [[●]] [Not Applicable]
20. Maximum Exercise Number: [[●]] [Not Applicable] *(N.B. not applicable for European Style Warrants)*

PROVISIONS RELATING TO W&C SECURITIES

21. Additional Amounts: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (N.B. Additional Amounts are not applicable for Finnish Certificates, Finnish Warrants, Share Linked W&C Securities in respect of which the "LEPW Conditions" are applicable and Fund Linked W&C Securities in respect of which the "Target Volatility Conditions" are applicable)*
- (a) Additional Amount Payment Dates: [In respect of: (a) each Reference Date other than the Final Reference Date, the [tenth] [●] Business Day following [the Latest Reference Date in respect of] such Reference Date and (b) the Final Reference Date, the Settlement Date] [●]
- (b) Periodic Additional Amounts: [Applicable] [Not Applicable] *[if Periodic Additional Amounts is not applicable, then may delete the following sub-paragraphs]*
- (i) Notional Amount per W&C Security: [●] [Not Applicable]
- (ii) Additional Amount Commencement Date: [●]
- (iii) Additional Amount Rate: [●][Not Applicable]
- (iv) Additional Amount Rate Day Count Fraction: [Actual/360]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[30/360 (Floating)] [30/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Not Applicable]
- (c) Fixed Additional Amount: [Applicable] [Not Applicable] *[if Fixed Additional Amount is not applicable, then may delete the following sub-paragraphs]*
- (i) Specified Additional [●] [Not Applicable]

Amount:

- (ii) Reference Amount [●] [Not Applicable]
(RA):
- (iii) Additional Amount [●] [Not Applicable]
Percentage (AAP):
- (d) Additional Amount Event: [Applicable] [Not Applicable] *[if Additional Amount Event is not applicable, then may delete the following sub-paragraphs]*
 - (i) Additional Cumulative Amount: [Applicable] [Not Applicable] *[if Additional Cumulative Amount is not applicable, then may delete the following sub-paragraphs]*
 - Additional Amount [Each Observation Date] [and] [each/the]
Reference Date(s): [Valuation Date] [Each Reference Date] *[insert other]* (further particulars specified below)
 - Reference Amount [●]
(RA):
 - Additional Amount [●]
Percentage (AAP):
 - (ii) Additional Non-Cumulative Amount: [Applicable] [Not Applicable] *[if Additional Non-Cumulative Amount is not applicable, then may delete the following sub-paragraphs]*
 - Additional Amount [Each Observation Date] [and] [each/the]
Reference Date(s): [Valuation Date] [Each Reference Date] *[insert other]* (further particulars specified below)
 - Reference Amount [●]
(RA):
 - Additional Amount [●]
Percentage (AAP):
- (e) Accrual Additional Amount: [Applicable] [Not Applicable] *[if Accrual Additional Amount is not applicable, then may delete the following sub-paragraphs]*
 - (i) AA: [●]
 - (ii) Barrier Put Event [Barrier Event (closing)] [Barrier Event
(observation period): (intraday)]
 - (iii) Barrier Call Event [Barrier Call Event (closing)] [Barrier Call Event
(observation period): (intraday)]
- (f) Additional Amount Cut-off [Exercise Date] [Settlement Date] *[specify other]*
Date:
- 22. Mandatory Early Exercise: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (a) Mandatory Early Exercise [Applicable - for the purposes of the definition of
Event 1: "Mandatory Early Exercise Event 1" in the

Product Conditions, [less than or equal to]
[greater than or equal to] [less than] [greater than]
shall apply] [Not Applicable]

- (b) Mandatory Early Exercise Event 2: [Applicable - for the purposes of the definition of "Mandatory Early Exercise Event 2" in the Product Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]
- (c) Reference Date(s): [Each Observation Date] [Each Basket Observation Date] [Each [Observation Date/Basket Observation Date] set out under the heading "[Observation Date(s)/Basket Observation Date(s)]" in "Mandatory Early Exercise Table" below (further particulars specified below)]
- (d) Reference Amount: [●]
- (e) Additional Amount (Mandatory Early Exercise): [Applicable] [Not Applicable]
- (f) Additional Percentage: [●]
- (g) Mandatory Early Exercise Cash Settlement Date: [As specified in the Product Conditions] [[●] Business Days after the Mandatory Early Exercise Date]
- [(h) Mandatory Early Exercise Trigger:] [●] (N.B. May be deleted if not required)

[Mandatory Early Exercise Table] (N.B. May be deleted if not required)		
[Basket] Observation Date(s)	Mandatory Early Exercise Trigger	t
[●]	[●]	[●]
[●]	[●]	[●]

PRODUCT PROVISIONS

23. Cash Settlement Amount:

- (a) CSA 1: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [●]
- (ii) Final Reference Date: [Valuation Date] [Basket Valuation Date] (further particulars specified below)
- (b) CSA 2: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [●]
- (ii) Final Reference Date: [Valuation Date] [Basket Valuation Date] (further particulars specified below)
- (iii) Strike Amount: [●]
- (iv) T: [●]

- (v) Additional Percentage: [•]
- (c) CSA 3: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [•]
- (ii) Final Reference Date: [Valuation Date] [Basket Valuation Date] (further particulars specified below)
- (iii) Strike Amount: [•]
- (iv) T: [•]
- (v) Additional Percentage: [•]
- (d) CSA 4: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [•]
- (ii) Trigger Level: [•]
- (iii) T: [•]
- (iv) Additional Percentage: [•]
- (v) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (vi) Capped: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Cap: [•]
- (vii) Uncapped: [Applicable] [Not Applicable]
- (e) CSA 5: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [•]
- (ii) Cap: [•]
- (iii) Barrier Event: [Barrier Event (intraday)] [Barrier Event (closing)]
- (f) CSA 6: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Reference Amount: [•]
- (ii) Final Reference Date: The Reference Date scheduled to fall on [•]
- (iii) Exchange Rate Strike Date: [Strike Date] [•]
- (iv) Participation: [•]
- (v) Exchange Rate: Applicable

- (vi) Base Currency: [●]
- (vii) Subject Currency: [●]
- (viii) Currency Price: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - FX Specified Price: [●]
 - FX Price Source(s): [●]
 - FX Valuation Time: [●]
- (ix) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - Reference Currency: [●]
 - RC/BC Price Source: [●]
 - RC/BC Valuation Time: [●]
 - RC/SC Price Source: [●]
 - RC/SC Valuation Time: [●]
- (x) Specified Financial Centre(s): [●]
- (xi) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (xii) Successor Currency: [Applicable] [Not Applicable] *[If not applicable, then may delete the following sub-paragraph]*
 - [- Successor Currency Reference Date:] [Exchange Rate Strike Date] *[specify other date]*
- (xiii) Rebasing: [Applicable] [Not Applicable]
- (g) CSA 7: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Amount: [●]
 - (ii) Reference Dates: [Each Averaging Date] [Each Basket Averaging Date³⁰]
 - (iii) Participation: [●]
 - (iv) Out Of The Money Level: [●]
 - (v) v: [●]
 - (vi) C: [●]

³⁰

Insert if W&C Securities relate to a Basket of Hybrid Assets.

- (vii) N: [•]
- (viii) Basket Weight: [•]
- (h) CSA 8: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Amount: [•]
 - (ii) Reference Dates: [Each Averaging Date] [Each Basket Averaging Date³¹]
 - (iii) Participation: [•]
 - (iv) v: [•]
 - (v) C: [•]
 - (vi) N: [•]
 - (vii) N_{AAPD} : [•]
 - (viii) Basket Weight: [•]
- (i) CSA 9: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Barrier Put Event: [Barrier Put Event (final)] [Barrier Put Event (observation period)]
 - Barrier Put Event (final): [Barrier Event (final closing)] [Barrier Event (final intraday)] *[if Barrier Put Event is not specified as "Barrier Put Event (final)", then may delete this sub-paragraph]*
 - Barrier Put Event (observation period): [Barrier Event (closing)] [Barrier Event (intraday)] *[if Barrier Put Event is not specified as "Barrier Put Event (observation period)", then may delete this sub-paragraph]*
 - (ii) Barrier Call Event: [Barrier Call Event (final)] [Barrier Call Event (observation period)]
 - Barrier Call Event (final): [Barrier Call Event (final closing)] [Barrier Call Event (final intraday)] *[if Barrier Call Event is not specified as "Barrier Call Event (final)", then may delete this sub-paragraph]*
 - Barrier Call Event (observation period): [Barrier Call Event (closing)] [Barrier Call Event (intraday)] *[if Barrier Call Event is not specified as "Barrier Call Event (observation period)", then may delete this sub-paragraph]*
- (j) CSA 10: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Amount: [•]
 - (ii) Participation: [•]

³¹

Insert if W&C Securities relate to a Basket of Hybrid Assets.

- | | | | |
|-----|------------------|------------------------------------|--|
| | (iii) | Cap: | [●] |
| | (iv) | Strike Level: | [●] |
| | (v) | Barrier Event
(closing): | Applicable |
| (k) | CSA 11: | | [Applicable] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraphs]</i> |
| | (i) | Growth Amount: | [●] |
| | (ii) | Participation: | [●] |
| | (iii) | v: | [●] |
| 24. | LEPW Conditions: | | [Applicable] [Not Applicable] |
| | (a) | Cash Settlement Amount: | [The provisions of Annex 1 Part 4 - Additional Terms and Conditions for Low Exercise Price Warrants shall apply] |
| | (i) | Out-performance: | [Applicable] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraphs]</i> |
| | | [- Rate:] | [[●]] [Not Applicable] <i>(N.B. If Outperformance is applicable, insert this sub-paragraph)</i> |
| | | [- Multiplier:] | [[●]] [Not Applicable] <i>(N.B. If Outperformance is not applicable, insert this sub-paragraph)</i> |
| | (ii) | Settlement Price: | [Settlement Price (Effective Price 1)] [Settlement Price (Effective Price 2)] [Settlement Price (Index Closing Level)] [Settlement Price (Share Closing Price)] <i>(N.B. If Settlement Price (Index Closing Level) or Settlement Price (Share Closing Price) is specified, insert the following sub-paragraph)</i> |
| | (iii) | Exchange Rate | [Exchange Rate 1] [Exchange Rate 2] [Not Applicable] <i>(N.B. insert the following sub-paragraphs if Exchange Rate 2 is applicable)</i> |
| | | [- Specified Rate:] | [The [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] |
| | | [- FX Price Source:] | |
| | | [- FX Valuation Time:] | |
| | (b) | Additional Amount Payment Date(s): | [As specified in LEPP Condition 2] <i>[insert other]</i> [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Securities)</i> |
| | (c) | Number of Shares per Warrant: | [●][Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Securities)</i> |
| | (d) | Local Currency: | [[●]] [Not Applicable] |
| | (e) | Pre-IPO Share: | [Applicable] [Not Applicable] |

- (f) Ratio: ☐ [Not Applicable] *(N.B. Not Applicable for Index Linked W&C Securities)*
- (g) Original Scheduled Expiration Date: ☐
- (h) Scheduled Expiration Cut-Off Date: ☐
- (i) Special Conditions for Potential Adjustment Events *(LEPW Condition 5(g))*: ☐ [Applicable] ☐ [Not Applicable] *(N.B. Not Applicable for Index Linked W&C Securities)*
- (j) Change in Law Amendment *(LEPW Condition 6)*: ☐ [Applicable] ☐ [Not Applicable]
- (k) Deduction of Cost and Taxes *(LEPW Condition 7)*: ☐ [Applicable] ☐ [Not Applicable]
- (l) Exercise Period Start Date *(LEPW Condition 8)*: ☐ [Tranche 1 Issue Date] ☐ [Listing Date]
- (m) Scheduled Settlement Date *(LEPW Condition 9)*: ☐ [Scheduled Settlement Date is Business Day Adjusted]
- (i) Number of Settlement Business Days: ☐ [Business Days] [As specified in the Product Conditions]
- (ii) Settlement Business Day Convention: ☐ [Following Business Day Convention] ☐ [Modified Following Business Day Convention] ☐ [Nearest Preceding Business Day Convention]
25. Target Volatility Conditions: ☐ [Applicable] ☐ [Not Applicable]
- (a) Cash Settlement Amount: The provisions of Part 5 of Annex 1– Additional Terms and Conditions for Fund Linked Target Volatility W&C Securities shall apply
- (b) Reference Amount: ☐
- (c) Final Valuation Date: ☐
- (d) Exchange Rate Strike Date: ☐ [Strike Date] ☐
- (e) Target Volatility Linked Additional Amounts: ☐ [Applicable] ☐ [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Additional Amount Percentage (Target Volatility): ☐
- (ii) Additional Amount Payment Date(s): ☐
- (iii) Additional Amount Reference Date(s): ☐
- (f) Exchange Rate: ☐ [Applicable] ☐ [Not Applicable]
- (g) Currency Price: ☐ [Applicable] ☐ [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*

- (i) FX Specified Price: [●]
- (ii) FX Price Source(s): [●]
- (iii) FX Valuation Time: [●]
- (h) Base Currency: [●]
- (i) Subject Currency: [●]
- (j) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Currency: [●]
 - (ii) RC/BC Price Source: [●]
 - (iii) RC/BC Valuation Time: [●]
 - (iv) RC/SC Price Source: [●]
 - (v) RC/SC Valuation Time: [●]
- (k) Specified Financial Centre(s): [●]
- (l) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (m) Successor Currency: [Applicable] [Not Applicable] *[If not applicable, then may delete the following sub-paragraph]*
 - Successor Currency Reference Date: [Exchange Rate Strike Date] *[specify other date]*
- (n) Rebasing: [Applicable] [Not Applicable]
- (o) Participation: [●]
- (p) Adjustment Factor: [●]
- (q) Fund Basket Averaging Dates: [●]
- (r) Target Volatility: [●]
- (s) Maximum Target Allocation: [●][Not Applicable]
- (t) Minimum Target Allocation: [●][Not Applicable]
- (u) Rate: [As specified in the Target Volatility Conditions] [Not Applicable]
 - (i) Reference Rate: [LIBOR] [HIBOR] [EURIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR]
 - (ii) Designated Maturity: [[●] month] [Not Applicable]
 - (iii) Rate Determination Day: [As specified in the Target Volatility Conditions] [[●] Rate Business Day(s) prior to a Relevant Day] *[If the latter is specified, insert the following sub-paragraph]*

- [- Rate Financial Centre(s):] [●]
- (iv) Relevant Screen Page: [●]
- (v) Relevant Time: [●]
- (v) Number of Days in the Period: [●]
- (w) M: [●]
- (x) Y: [●]
- (y) Initial Basket Value: [●]
- (z) Fixed Settlement Amount: [●] [Not Applicable]

PROVISIONS RELATING TO TYPE OF W&C SECURITIES

26. Type of Underlying Asset(s): [The Index] [Basket of Indices] [The Share] [Basket of Shares] [The Fund] [Basket of Funds] (as defined below) [A basket comprising the [Index] [Basket of Indices] [and] [, Share] [Basket of Shares] [and] [Fund] [Basket of Funds] (as defined in paragraphs [31] [32] [33] below) ("**Basket of Hybrid Assets**")]
27. Basket of Hybrid Assets: [Yes – the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets] [No – the Underlying Asset Linked Securities do not relate to a Basket of Hybrid Assets] *[if No, then may delete the following sub-paragraphs]*
- (a) Basket Averaging Date(s): *[insert dates]* [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
 - (i) Omission: [Applicable] [Not Applicable]
 - (ii) Postponement: [Applicable] [Not Applicable]
 - (iii) Modified Postponement: [Applicable] [Not Applicable]
 - (b) Basket Observation Date(s): *[insert date(s)]* [Each date set out under the heading "Basket Observation Date(s)" in "Mandatory Early Exercise Table" above] [Not Applicable]
 - (c) Basket Valuation Date(s): *[insert date(s)]* [Not Applicable]
 - (d) Asset Performance: [As specified in the Product Conditions] [Not Applicable]
28. Index Linked Conditions: [Applicable] [Not Applicable]
- (a) Index/Basket of Indices: [The index] [Each of the indices] set out under the heading "Index" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Index**"] [each, an "Index" and together the "**Indices**" or "**Basket of Indices**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "Index", "Bloomberg Code", "Index Sponsor", "Type of Index", "Exchange", "Related Exchange", "Index Currency", ["Weight"] [and] ["Initial Level"] (*insert additional columns as applicable*) applicable to [an] [the] Index shall have the corresponding meanings set forth against such Index in the table below:

Index	Bloomberg Code	Index Sponsor	Type of Index	Exchange	Related Exchange	Index Currency	[Weight] ³²	[Initial Level]
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●] [As specified in the Index Linked Conditions]
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●] [As specified in the Index Linked Conditions]

(b) Index Performance: [As specified in the Index Linked Conditions] [Not Applicable]

(c) Initial Level: [The amount set out under the heading "Initial Level" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Index Linked Conditions]

(d) Barrier Event (intraday): [Barrier Event (intraday) provisions are applicable - for the purposes of the definition of "Barrier Event (intraday)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]

[if not applicable, then may delete the following sub-paragraph]

- Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Market Disruption Event is [not] taken into account]

(e) Barrier Event (final intraday): [Barrier Event (final intraday) provisions are applicable - for the purposes of the definition of "Barrier Event (final intraday)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]

[if not applicable, then may delete the following sub-paragraph]

[- Barrier Event Determination Day(s):] [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Market Disruption Event is [not] taken into account]

(f) Barrier Event (closing): [Applicable - for the purposes of the definition of "Barrier Event (closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]

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May only be applicable in relation to Index Linked W&C Securities relating to a Basket of Indices.

- [if not applicable, then may delete the following sub-paragraph]*
- Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
 - (g) Barrier Event (final closing): [Applicable - for the purposes of the definition of "Barrier Event (final closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]

[if not applicable, then may delete the following sub-paragraph]
 - Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
 - (h) Barrier Call Event (intraday): [Applicable - for the purposes of the definition of "Barrier Call Event (intraday)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
 - Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Market Disruption Event is [not] taken into account]
 - (i) Barrier Call Event (final intraday): [Applicable - for the purposes of the definition of "Barrier Call Event (final intraday)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
 - Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Market Disruption Event is [not] taken into account]
 - (j) Barrier Call Event (closing): [Applicable - for the purposes of the definition of "Barrier Call Event (closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
 - Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]

[The Barrier Event Determination Day(s) shall be [●], [●] and [●]]

- (k) Barrier Call Event (final closing): [Applicable - for the purposes of the definition of "Barrier Call Event (final closing)" in the Index Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Barrier Event Determination Day(s): [For the purposes of the definition of "Barrier Event Determination Day" in the Index Linked Conditions, Observation Period is applicable]
- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (l) Barrier Level: [●] [Not Applicable]
- (m) Barrier Level (final): [●] [Not Applicable]
- (n) Barrier Call Level: [●] [Not Applicable]
- (o) Barrier Call Level (final): [●] [Not Applicable]
- (p) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Averaging Date(s): [●]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)* [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked W&C Securities relating to a Basket of Indices)*
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (q) Valuation Date(s): [●] [As specified in the LEPW Conditions] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)* [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked W&C Securities relating to a Basket of Indices)*
- (r) Valuation Time: [As specified in the Index Linked Conditions] *[specify other]*
- (s) Observation Date(s): [●] [Each date set out under the heading "Observation Date(s)" in "Mandatory Early Exercise Table" above] [Not Applicable] *[if not applicable,*

then may delete the following sub-paragraphs]

- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]
- (t) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- (i) Observation Period Start Date: [[•] ([Including] [Excluding])] [Not Applicable]
- (ii) Observation Period End Date: [[•] ([Including] [Excluding])] [Not Applicable]
- (u) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the W&C Securities:
- [Change in Law]
- [Hedging Disruption]
- [Increased Cost of Hedging]
29. Share Linked Conditions: [Applicable] [Not Applicable]
- (a) Share(s)/Basket of Shares: [The] [Each of the] [ordinary shares] [depository receipts] of the relevant Share Company set out under the heading "**Share Company**" in "Specific Information relating to the Underlying Asset(s)" below (each a "**Share**" and together, the "**Shares**" [or the "**Basket of Shares**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Share Company**", "**ISIN of Share**", "**Bloomberg Code**", "**Exchange**", "**Related Exchange**", "**Local Jurisdiction**" [, "**Weight**"] [and] ["**Initial Price**"] (*insert additional columns as appropriate*) applicable to [a] [the] Share shall have the corresponding meanings set forth against the relevant Share Company in the table below.

Share Company	ISIN of Share	Bloomberg Code	Exchange	Related Exchange	Local Jurisdiction	[Weight] ³³	[Initial Price]
[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]

- (b) Share Performance: [As specified in the Share Linked Conditions] [Not Applicable]

³³ May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Shares.

- [Share Performance is rounded to four decimal places]
- (c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Share Linked Conditions]
- (d) Barrier Event (intraday): [Applicable - for the purposes of the definition of "Barrier Event (intraday)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Barrier Event Determination Day(s):] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Market Disruption Event is [not] taken into account]
- (e) Barrier Event (closing): [Applicable - for the purposes of the definition of "Barrier Event (closing)" in the Share Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Barrier Event Determination Day(s):] [For the purposes of the definition of "Barrier Event Determination Day" in the Share Linked Conditions, Observation Period is applicable]
- (f) Barrier Level: [The Barrier Event Determination Day(s) shall be [●], [●] and [●]] [●] [equal to] [●] per cent. of the Initial Price] [Not Applicable]
- (g) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Averaging Date(s): [●]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. *If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified*) [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Shares)*
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]

- (h) Valuation Date(s): [●] [As specified in the LEPW Conditions] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. *If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]
- (N.B. *May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Shares*)
- (i) Valuation Time: [As specified in the Share Linked Conditions] *[specify other]*
- (j) Observation Date(s): [●] [Each date set out under the heading "Observation Date(s)" in "Mandatory Early Exercise Table" above] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] (N.B. *If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.*) [Not Applicable]
- (N.B. *May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Shares*)
- (k) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (m) Tender Offer: [Applicable] [Not Applicable]
- (n) Share Substitution: [Applicable. Share Substitution Criteria are as specified in the Share Linked Conditions] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Affected Share Strike Date:] [As specified in the Share Linked Conditions] *[specify other date]*
- (o) Local Tax Adjustment: [Not Applicable]
- [Applicable. Local Jurisdiction is set out in "Specific Information relating to the Underlying Asset(s)" above. [Where Local Jurisdiction is specified to be "United States" then this shall mean the United States of America's federal and/or state and/or local taxes and/or any political subdivision thereof]]

- (p) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the W&C Securities:
 [Change in Law]
 [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Initial Stock Loan Rate: [●]]
 [Insolvency Filing]
 [Loss of Stock Borrow]
 [Maximum Stock Loan Rate: [●]]]
30. GDR/ADR Linked Conditions: [Applicable] [Not Applicable]
(For GDR/ADR Linked W&C Securities complete sections for Share Linked W&C Securities (paragraph 29 above) (completed and amended as appropriate) and this section)
- (a) Partial Lookthrough: [Applicable] [Not Applicable]
 (b) Full Lookthrough: [Applicable] [Not Applicable]
31. Fund Linked Conditions: [Applicable] [Not Applicable]
 (a) Fund/Basket of Funds: [[The/Each] fund set out under the heading "**Fund**" in "Specific Information relating to the Underlying Asset(s)" below ([the "**Fund**"] [each, a "**Fund**" and together the "**Funds**" or "**Basket of Funds**"].]
 [[The/Each] exchange traded fund set out under the heading "**ETF**" in "Specific Information relating to the Underlying Asset(s)" below ([the "**ETF**"] [each, an "**ETF**" and together the "**ETFs**"].]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms ["**Fund**"], ["**ETF**"], ["**ISIN of Fund**"], ["**ISIN of Fund Share**"], "**Bloomberg Code**" [, "**Fund Interest**"] [, "**Exchange**", "**Related Exchange**"] [, "**Weight**"] [, "**Initial Price**"] [and] "**Underlying Index**"] (*insert additional columns as appropriate*) applicable to [a/an/the] [Fund/ETF] shall have the corresponding meanings set forth against such [Fund/ETF] in the table below.

[Fund][ETF]	ISIN of Fund [Share]	Bloomberg Code	[Fund Interest] ³⁴	[Exchange] ³⁵	[Related Exchange] ³⁶	[Weight] ³⁷	[Initial Price] ³⁸	[Underlying Index] ³⁹
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges]	[●]	[●]	[●]

³⁴ May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs).

³⁵ May only be applicable in relation to Exchange Traded Funds (ETFs).

³⁶ May only be applicable in relation to Exchange Traded Funds (ETFs).

³⁷ May only be applicable in relation to Share Linked W&C Securities relating to a Basket of Funds.

³⁸ May only be applicable in relation to Exchange Traded Funds (ETFs).

³⁹ May only be applicable in relation to Exchange Traded Funds (ETFs).

- (b) Fund Performance: [As specified in the Fund Linked Conditions] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (c) Initial Price: [The amount set out under the heading "Initial Price" in "Specific Information relating to the Underlying Asset(s)" above] [As specified in the Fund Linked Conditions] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (d) Barrier Event (intraday): [Applicable – for the purposes of the definition of "Barrier Event (intraday)" in the Fund Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than] shall apply] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Barrier Event Determination Day(s):] [For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Market Disruption Event is [not] taken into account]
- (e) Barrier Event (closing): [Applicable - for the purposes of the definition of "Barrier Event (closing)" in the Fund Linked Conditions, [less than or equal to] [greater than or equal to] [less than] [greater than]] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]*
- [- Barrier Event Determination Day(s):] [For the purposes of the definition of "Barrier Event Determination Day" in the Fund Linked Conditions, Observation Period is applicable]
- [The Barrier Event Determination Day(s) shall be [●], [●] and [●]]
- (f) Barrier Level: [●] [Not Applicable]
- (g) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (i) Averaging Dates: [●] *[insert dates]*
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Securities relating to a Basket of Funds)*
- (ii) Omission: [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*

- (iii) Postponement: [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (iv) Modified Postponement: [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (h) Valuation Date(s): [●] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Securities relating to a Basket of Funds)*
- (i) Valuation Time: [As specified in the Fund Linked Conditions] *[specify other]* [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (j) Observation Date(s): [●] [Each date set out under the heading "Observation Date(s)" in "Mandatory Early Exercise Table" above] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Securities relating to a Basket of Funds)*
- (k) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs] (N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (i) Observation Period Start Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (ii) Observation Period End Date: [[●] ([Including] [Excluding])] [Not Applicable]
- (l) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the W&C Securities:
- [Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]

- (m) Merger Date (*Fund Linked Condition 11*): [As specified in the "Merger Event" definition in Fund Linked Condition 11] [Merger Date is on or before [●]] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)

GENERAL

32. Form of W&C Securities:⁴⁰ [The W&C Securities are to be issued into and transferred through Euroclear and Clearstream, Luxembourg]
- [Euroclear/CBL Global Bearer Warrant]
- [Euroclear/CBL Global Registered Warrant]
- [Euroclear/CBL Temporary Global Certificate exchangeable for a Euroclear/CBL Permanent Global Certificate which is exchangeable for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear and/or Clearstream, Luxembourg, as applicable (acting on the instructions of any holder of an interest in such Euroclear/CBL Permanent Global Certificate)]
- [Euroclear/CBL Temporary Global Certificate exchangeable for Definitive Bearer Certificates on or after the Exchange Date]
- [Euroclear/CBL Permanent Global Certificate exchangeable for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear and/or Clearstream, Luxembourg, as applicable (acting on the instructions of any holder of an interest in such Euroclear/CBL Permanent Global Certificate)]
- [Euroclear/CBL Global Registered Certificate exchangeable for Definitive Registered Certificates in the limited circumstances described in the Euroclear/CBL Global Registered Certificate]
- OR**
- [The W&C Securities are to be issued into and transferred through Clearstream, Frankfurt]
- [CBF Global Warrant]
- [CBF Global Certificate]
- OR**
- [The W&C Securities are to be issued into and transferred through Euroclear France]⁴¹
- [Euroclear France Global Warrant]

⁴⁰ If MLICo. Is the Issuer of the Certificates, Certificates shall be initially issued in permanent global form exchangeable for Definitive Certificates.

⁴¹ Only MLICo. May issue W&C Securities issued into and transferred through Euroclear France.

[Euroclear France Temporary Global Certificate exchangeable for a Euroclear France Permanent Global Certificate which is exchangeable for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear France (acting on the instructions of any holder of an interest in such Euroclear France Permanent Global Certificate)]⁴²

[Euroclear France Temporary Global Certificate exchangeable for Definitive Bearer Certificates on or after the Exchange Date]⁴³

[Euroclear France Permanent Global Certificate exchangeable for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear France (acting on the instructions of any holder of an interest in such Euroclear France Permanent Global Certificate)]⁴⁴

OR

[The Warrants are eligible for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, United States Persons who are QIBs and also QPs]

[Regulation S/Rule 144A Global Warrant in registered form] [Rule 144A Global Warrant in registered form]

[The provisions of Annex 7 of the Terms and Conditions – Additional Terms and Conditions for Rule 144A Warrants shall apply]

[N.B. Only Cash Settled W&C Securities will be eligible for sale in the United States or to, or for the account or benefit of, United States Persons]

OR

[The Swedish Securities are to be issued into and cleared through the Swedish CSD]

[The Swedish Securities will be issued in dematerialised and uncertificated book entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*)]

OR

[The Finnish Securities are to be issued into and cleared through Euroclear Finland]

[The Finnish Securities will be issued in dematerialised and uncertificated book entry form in

⁴² Only MLICo. May issue W&C Securities issued into and transferred through Euroclear France.

⁴³ Only MLICo. May issue W&C Securities issued into and transferred through Euroclear France.

⁴⁴ Only MLICo. May issue W&C Securities issued into and transferred through Euroclear France.

accordance with the Finnish Act on the Book-Entry System or Clearing Operations (in Finnish: *laki arvo-osuus järjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991))]

OR

[The CREST Securities are to be issued into and transferred through Euroclear UK.

The CREST Securities will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The CREST Securities are participating securities for the purposes of the Uncertificated Securities Regulations.]

- | | | |
|-----|--|--|
| 33. | Eligibility for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, United States Persons who are QIBs and also QPs: | <p>The W&C Securities are [not] eligible for sale in the United States to QIBs who are also QPs, or to, or for the account or benefit of, United States Persons who are QIBs and also QPs.</p> <p><i>[(Where Cash Settled Index Linked Warrants or Cash Settled Share Linked Warrants are eligible for sale (a) in the United States to QIBs who are also QPs, or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs, include the following:)]</i></p> <p>(a) the Rule 144A Global Warrant will be deposited with [the U.S. Warrant Agent as custodian for DTC] [the Common Depositary]; and</p> <p>(b) the Warrants [may] [may not] be sold outside the United States to non-United States Persons [(such Warrants to be represented by a Regulation S/Rule 144A Global Warrant and deposited with the Common Depositary)].]</p> |
| 34. | Payment Day (Condition 6(B)): | [Following] [Modified Following] |
| 35. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable] <i>[give details]</i> |
| | [– London:] | [Not Applicable] <i>[Insert if London is excluded for the purposes of the "Payment Day" definition in Condition 5(F)]</i> |
| 36. | Payment Disruption (Condition 6(C)): | [Applicable] [Not Applicable] <i>[if not applicable, delete the following sub-paragraphs]</i> |
| | (a) Payment Disruption Event: | [Applicable] [Not Applicable] |
| | (b) CNY Payment Disruption Event: | [Applicable] [Not Applicable] <i>[if not applicable, delete the following sub-paragraphs]</i> |

- (i) CNY Settlement Centre: [The Hong Kong Special Administrative Region] [●]
- (ii) Extension: [Applicable] [Not Applicable]
- (iii) Payment Postponement: [Applicable] [Not Applicable]
- (iv) Payment Equivalent Amount: of [Applicable] [Not Applicable]
- (c) Base Currency: [As specified under paragraph [23] [24] [25]] [●]
(N.B. insert base currency if not specified in paragraph 24 or 26)
- (d) Subject Currency: [As specified under paragraph [23] [24] [25]] [●]
(N.B. insert subject currency if not specified in paragraph 24 or 26)
- (e) Specified Financial Centre: [●]

DISTRIBUTION

37. The initial purchasers and name of applicable permitted dealer in the United States of the Warrants: [The dealer for the Warrants is *[name of applicable permitted dealer in the United States]*, acting as principal. *[Name of applicable permitted dealer in the United States]* does not receive any compensation for the sales in which it participates.] [Not Applicable]
- (N.B. Applicable where Cash Settled Index Linked Warrants or Share Linked Warrants are eligible for sale (a) in the United States to QIBs who are also QPs or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs)*
38. Method of distribution: [Syndicated] [Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] *[give names, addresses and underwriting commitments]*
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*
- (b) Date of Subscription Agreement: [●] [Not Applicable]
39. If non-syndicated, name and address of relevant Dealer: [Not Applicable]

[give name and address]

[Merrill Lynch International
2 King Edward Street

London
EC1A 1HQ
United Kingdom]

40. [Total commission and concession: [●]]
41. U.S. Selling Restrictions: [TEFRA D] [TEFRA D not applicable]
42. Non-exempt Offer: [Not Applicable][An offer of the W&C Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]* ("**Public Offer Jurisdiction[s]**") during the period from [(and including)] *[specify date]* to [(and including)] *[specify date]* ("**Offer Period**") by [the/each] [Dealer] [Manager] [and the following financial intermediary(ies):].]

[Name and address of financial intermediary:

(specify names and addresses of other financial intermediary(ies) making non-exempt offer)]

(together, [with the [Dealer[s]][Manager[s]]], the "**Initial Authorised Offerors**")

See further Paragraph [7] of Part B below.

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in the relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading:

[Not Applicable] [Application [has been] [will be] made by the Issuer (or on its behalf) for the W&C Securities to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Irish Stock Exchange/ Euronext Amsterdam by NYSE Euronext/ NASDAQ OMX Stockholm/ Nordic Derivatives Exchange Stockholm [with effect from, at the earliest the [Issue Date] [the date that [the] [each] Share is listed on the relevant Exchange]⁴⁵. No assurances can be given that such application for listing will be granted, (or if granted, will be granted by the [Issue Date] [the date that [the] [each] Share is listed on the relevant Exchange]]⁴⁶)]

(N.B. W&C Securities with over 364 days between Issue Date and Settlement Date must be listed on a "recognised stock exchange".)

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the W&C Securities has an interest material to the offer *(amend as appropriate if there are other interests)*.]

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer: [●] *(See "Use of Proceeds of the W&C Securities" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)*]

(ii) Estimated net proceeds: [●] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)* [Not Applicable]

(iii) Estimated total expenses: [●] *[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]* [Not Applicable]

(N.B. (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks in this case disclosure of net proceeds and total expenses at (ii) and (iii) above is also

⁴⁵ Include for Share Linked W&C Securities, in respect of which the LEPW Conditions apply and pre-IPO Share is specified to be applicable.

⁴⁶ Include for Share Linked W&C Securities, in respect of which the LEPW Conditions apply and pre-IPO Share is specified to be applicable.

required.)

4. **YIELD (Certificates in respect of which "Periodic Additional Amounts" or "Fixed Additional Amount" is applicable)**

Indication of yield: The yield is [●]

5. **PERFORMANCE OF THE UNDERLYING ASSET(S) AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET(S)**

[Need to include details of where past and future performance and volatility of [the] [each] Underlying Asset can be obtained].

[Where the Underlying Asset is an index need to include details of where the information about [the] [each] index can be obtained.]

6. **OPERATIONAL INFORMATION**

- | | | |
|---------|--|---|
| (i) | ISIN: | [The ISIN is set out in "Specific Provisions for each Series" above.] |
| (ii) | Common Code: | [The Common Code is set out in "Specific Provisions for each Series" above.] |
| [(iii)] | [Wertpapierkennnummer (WKN) (German Security Code):] | [The WKN is set out in "Specific Provisions for each Series" above.] |
| [(iv)] | [Mnemonic <i>(insert in case of a listing on Euronext Paris S.A.):</i>] | [The Mnemonic is set out in "Specific Provisions for each Series" above.] |
| [(v)] | [<i>(insert here any other relevant codes such as CUSIP and CNS codes):</i>] | [●] |
| [(vi)] | Clearing System(s): | [Euroclear Bank SA/NV] [and] [Clearstream Banking, <i>société anonyme</i>] [Clearstream Banking AG, Frankfurt am Main] [Euroclear France S.A.] [DTC] [Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden/ <i>specify other duly authorised Swedish central securities depository under the Swedish CSD Rules</i>] [Euroclear Finland, Ltd] [Euroclear UK & Ireland Limited] |
| [(vii)] | Any clearing system(s) other than Euroclear Bank SA/NV., Clearstream Banking, <i>société anonyme</i> , Clearstream Banking AG, Frankfurt am Main, Euroclear France, DTC, Euroclear UK & Ireland Limited, Euroclear Finland, Ltd and Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden or a duly authorised Swedish central securities depository under the Swedish CSD Rules, the relevant address(es) and the relevant | [Not Applicable] <i>[give name(s), address(es) and number(s)]</i> |

identification number(s):

[(viii)]	[Names and addresses of initial Security Agents:]	<p>[The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom]</p> <p>[The Bank of New York Mellon (Luxembourg) S.A. Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg]⁴⁷</p> <p>[The Bank of New York Mellon 101 Barclay Street New York, New York 10286 United States]⁴⁸</p> <p>[BNP Paribas Securities Services S.C.A. Frankfurt Branch Zweigniederlassung Europa-Allee 12 60327 Frankfurt am Main Germany]⁴⁹</p> <p><i>[Insert details of the Paris Security Agent]</i>⁵⁰</p> <p>[Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-10640 Stockholm Sweden]⁵¹</p> <p>[Skandinaviska Enskilda Banken AB (publ) Helsinki Branch Unionsgatan 30 00100 Helsinki Finland]⁵²</p> <p>[Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom]⁵³</p>
[(ix)]	Registrar:	<p>[The Bank of New York Mellon (Luxembourg) S.A. Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg]</p>

⁴⁷ Include in the case of Warrants clearing through Euroclear and Clearstream, Luxembourg.

⁴⁸ Include in the case of Rule 144 Warrants.

⁴⁹ Include in the case of Certificates cleared through Euroclear and Clearstream, Luxembourg and clearing through Clearstream, Frankfurt.

⁵⁰ Include in the case of W&C Securities clearing through Euroclear France.

⁵¹ Include in the case of Swedish Securities.

⁵² Include in the case of Finnish Securities.

⁵³ Include in the case of CREST Securities clearing through Euroclear UK.

Grand Duchy of Luxembourg]⁵⁴

[Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg]⁵⁵

[Not Applicable]

[(x) Delivery: Delivery free of payment into Euroclear
account 92835]⁵⁶

7. [TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price.] [*specify*] [The/Each] Authorised Offeror (as defined below) will offer and sell the W&C Securities to their customers in accordance with arrangements in place between each such Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.

Conditions to which the offer is subject: [Offers of W&C Securities are conditional on their issue and are subject to [*specify conditions*]. As between [the/each] Authorised Offeror and its customers, offers of the W&C Securities are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]

Description of the application process: [An Investor (as defined in the Summary) will purchase the W&C Securities in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the W&C Securities.]

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not Applicable] [*give details*]

Details of the minimum and/or maximum amount of application: There are no pre-identified allotment criteria. [The /Each] Authorised Offeror will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations [and/or as otherwise agreed between them.]

⁵⁴ Include in the case of all Registered Warrants.

⁵⁵ Include in the case of all Registered Certificates.

⁵⁶ Include in the case of Registered Certificates issued by MLICo.

Details of the method and time limits for paying up and delivering the W&C Securities:	[The W&C Securities will be purchased by [the/each] Authorised Offeror from the Issuer on a delivery [against][free of] payment basis on the Issue Date. Prospective Investors will be notified by the [relevant] Authorised Offeror of their allocations of W&C Securities and the settlement arrangements in respect thereof.]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Prospective Investors will be notified by the [relevant] Authorised Offeror in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers. Any dealings in the W&C Securities that takes place will be at the risk of the prospective Investor.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[The Initial Authorised Offeror[s] identified in paragraph [42] above [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer (as defined in the Summary) and who are identified on the website of the Issuer as an Authorised Offeror] (together, the " Authorised Offerors ")]
Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates:	[Not Applicable] <i>[give details]</i>

8. **[INDEX DISCLAIMER]**

[In the case of Index Linked W&C Securities, insert the relevant index disclaimer]]

[INSERT SUMMARY OF THE W&C SECURITIES]

TERMS AND CONDITIONS OF THE W&C SECURITIES

The following is the text of the Terms and Conditions of the W&C Securities which will apply to each issue of W&C Securities and which will include the additional Terms and Conditions contained in (i) Annex 1 in respect of settlement (the "Product Conditions") and (ii) Annex 2 in the case of Index Linked Securities, Annex 3 in the case of Share Linked Securities, Annex 4 in the case of GDR/ADR Linked Securities, Annex 5 in the case of Fund Linked Securities and Annex 7 in the case of Rule 144A Warrants (the "Underlying Asset Conditions" and, together with the Product Conditions, the "Additional Terms and Conditions"). The Registration Document (the "Registration Document") relating to the Programme and applicable Summary (if applicable) and Securities Note (the "Securities Note"), relating to a particular series of W&C Securities may also be used in connection with the issue of W&C Securities under the Programme and such applicable Securities Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such W&C Securities. To the extent that W&C Securities are issued pursuant to a Securities Note, references in the following Terms and Conditions to the "Final Terms" shall be read as references to the "Securities Note" in respect of such series of W&C Securities, and all such references shall be construed accordingly.

The series of W&C Securities described in the applicable Final Terms (insofar as it relates to such series of W&C Securities) (such W&C Securities being hereinafter referred to as the "**W&C Securities**") are issued by whichever of Merrill Lynch B.V. ("**MLBV**") or Merrill Lynch International & Co. C.V. ("**MLICo.**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. W&C Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "W&C Security", "W&C Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

MLBV shall only issue Certificates. MLICo. may issue Warrants and Certificates.

The W&C Securities are issued pursuant to an Agency Agreement dated 11 March 2013 (the "**Agency Agreement**") among, *inter alios*, MLBV, MLICo., Bank of America Corporation ("**BAC**" or the "**Guarantor**") as guarantor, Deutsche Bank AG, London Branch as principal paying agent, The Bank of New York Mellon, London Branch as principal warrant agent (the "**Principal Warrant Agent**", which expression shall include any successor principal warrant agent), The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg warrant agent (the "**Luxembourg Warrant Agent**"), The Bank of New York Mellon as U.S. warrant agent (the "**U.S. Warrant Agent**"), BNP Paribas Securities Services S.C.A., Frankfurt Branch as Frankfurt warrant agent (the "**Frankfurt Warrant Agent**"), BNP Paribas Securities Services S.C.A., Frankfurt Branch as principal certificate agent (the "**Principal Certificate Agent**", which expression shall include any successor principal certificate agent), Deutsche Bank Luxembourg S.A. as Luxembourg certificate agent (the "**Luxembourg Certificate Agent**"), Skandinaviska Enskilda Banken AB (publ) as Swedish security agent (the "**Swedish Security Agent**"), Skandinaviska Enskilda Banken AB (publ), Helsinki Branch as Finnish security agent (the "**Finnish Security Agent**"), Computershare Investor Services PLC as CREST agent (the "**CREST Agent**"), The Bank of New York Mellon (Luxembourg) S.A. as registrar in respect of Warrants and Deutsche Bank Luxembourg S.A., as registrar in respect of Certificates. References in these conditions to the "**Registrar**" are to The Bank of New York Mellon (Luxembourg) S.A. with respect to any Warrants and to Deutsche Bank Luxembourg S.A. with respect to any Certificates.

In connection with each issue of Warrants, references herein to the "**Principal Security Agent**", the "**Luxembourg Security Agent**" and the "**Frankfurt Security Agent**" shall be deemed to be references to the Principal Warrant Agent, the Luxembourg Warrant Agent and the Frankfurt Warrant Agent, respectively, where the context permits and references to "**Security Agents**" shall be deemed to be references to such agents, the U.S. Warrant Agent, the Swedish Security Agent, the Finnish Security Agent, the Paris Security Agent and the CREST Agent and any additional or successor to such agents collectively.

In connection with each issue of Certificates, references herein to the "**Principal Security Agent**", the "**Luxembourg Security Agent**" and the "**Frankfurt Security Agent**" shall be deemed to be references to the Principal Certificate Agent, the Luxembourg Certificate Agent and the Principal Certificate Agent, respectively, where the context permits and references to "**Security Agents**" shall be deemed to

be references to such agents, the Swedish Security Agent, the Finnish Security Agent, the Paris Security Agent and the CREST Agent and any additional or successor to such agents collectively.

Merrill Lynch International shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the W&C Securities unless another entity is so specified as the calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant W&C Securities, include such other specified calculation agent.

Except in the case of Swedish Securities, Finnish Securities and CREST Securities (each as defined below), the applicable Final Terms for the W&C Securities are attached to or incorporated by reference into the Global W&C Security or to the Definitive W&C Securities, as the case may be. In the case of Swedish Securities, Finnish Securities and CREST Securities, the applicable Final Terms (which for the avoidance of doubt may be issued in respect of more than one series of Swedish Securities or Finnish Securities) for the Swedish Securities, Finnish Securities or CREST Securities, as applicable, will constitute a part of such Securities and will be available from Merrill Lynch International, 2 King Edward Street, London EC1A 1HQ.

The applicable Final Terms (the "**Final Terms**") for the W&C Securities completes these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") and will specify which of the Terms and Conditions (including the Additional Terms and Conditions) apply to the W&C Securities. References herein to the "applicable Final Terms" are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the W&C Securities) (which for the avoidance of doubt may be issued in respect of more than one series of W&C Securities) attached to the Global W&C Security or to the Definitive Certificate, as the case may be, or constituting a part of such W&C Securities and made available as provided in the preceding paragraph insofar as it relates to the W&C Securities.

The Additional Terms and Conditions will apply to the W&C Securities to the extent specified in the Final Terms, and such Additional Terms and Conditions, as applicable, shall form part of the Terms and Conditions.

"**Series**" means W&C Securities which are identical in all respects (including as to listing and admission to trading), together with any further W&C Securities which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates and/or Issue Prices.

Any reference to "**W&C Securityholders**" or "**Holders**" in relation to any W&C Securities shall mean the holders of the W&C Securities.

The payment of all amounts payable and/or delivery of non-cash consideration deliverable by the Issuer in respect of the W&C Securities are unconditionally and irrevocably guaranteed by BAC pursuant to the guarantee dated 11 March 2013, executed by BAC (the "**Guarantee**"). The original of the Guarantee is held by Deutsche Bank AG, London Branch at its specified office currently at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

The W&C Securityholders are entitled to the benefit of the W&C Securities Deed of Covenant (the "**W&C Securities Deed of Covenant**") dated 11 March 2013 and made by the Issuer. The original of the W&C Securities Deed of Covenant is held by a common depositary for Euroclear and Clearstream, Luxembourg (each as defined below) (the "**Common Depositary**").

Copies of the Agency Agreement (which contains the form of the Final Terms), the Guarantee and the applicable Final Terms (subject as provided below) may be obtained during normal office hours from the specified offices of the Security Agents and the Registrar. The Base Prospectus will be published on the website of the Issuer (www.invest.baml.com).

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

The Holders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the W&C Securities) and the applicable Final Terms, which are binding on them.

1. **Type, Title and Transfer**

(A) *Type*

W&C Securities may be issued in bearer form ("**Bearer W&C Securities**"), registered form ("**Registered W&C Securities**") or uncertificated or dematerialised form. Bearer W&C Securities and Registered W&C Securities will be represented by Global W&C Securities or Definitive W&C Securities, in accordance with these Terms and Conditions of the W&C Securities.

The W&C Securities relate to a specified Index or basket of Indices ("**Index Linked W&C Securities**"), a specified Share or basket of Shares ("**Share Linked W&C Securities**"), a specified American depositary receipt (an "ADR") and/or global depositary receipt (a "GDR") representing interests in a share (the "**Underlying Share**") or basket of such GDRs and/or ADRs ("**GDR/ADR Linked W&C Securities**"), or a specified fund share or unit or basket of fund shares or units ("**Fund Linked W&C Securities**"). The applicable Final Terms will specify which of the Additional Terms and Conditions for Index Linked Securities, the Additional Terms and Conditions for Share Linked Securities, the Additional Terms and Conditions for GDR/ADR Linked Securities, the Additional Terms and Conditions for Fund Linked Securities and/or the Additional Terms and Conditions for Rule 144A Warrants, in each case set out in the Annexes to these Conditions, apply to the W&C Securities.

The Securities will be settled by way of cash payment ("**Cash Settled W&C Securities**") and the Final Terms will indicate whether averaging ("**Averaging**") will apply to the W&C Securities.

If Averaging is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, in respect of Index Linked Securities and Share Linked Securities, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery W&C Securities shall be deemed to include references to Cash Settled W&C Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such W&C Security and where settlement is to be by way of physical delivery.

(B) *Title to W&C Securities*

Subject as set out below, title to the Bearer W&C Securities will pass by delivery and title to Registered W&C Securities will, subject to mandatory rules of law, pass by registration in the Register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Title to W&C Securities in uncertificated or dematerialised form will pass as described below for each such type of W&C Securities.

In the case of W&C Securities that are represented by a Global W&C Security, each person who is for the time being shown in the records of a Clearing System as the holder of a particular number or nominal amount, as the case may be, of W&C Securities (in which regard any certificate or other document issued by such Clearing System as to the number or nominal amount, as the case may be, of W&C Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Guarantor and any Security Agent as the holder of such number or nominal amount, as the case may be, of W&C Securities for all purposes other than (except in the case of CBF Global W&C Securities) with respect to the payment of principal or additional amounts on such number, or nominal amount, as the case may be, of such W&C Securities, for which purpose the bearer of the relevant Global W&C Security (in the case of Bearer W&C Securities) or the person recorded in the Register (in the case of Registered W&C Securities) shall be treated by the Issuer, the Registrar, the Guarantor and any Paying

Agent as the Holder of such number, or nominal amount, as the case may be, of such W&C Securities in accordance with and subject to the terms of the relevant W&C Security (and the expression "**Holder**" and related expressions shall be construed accordingly).

In the case of Registered W&C Securities that are represented by a Global W&C Security, the Registrar will maintain the Register in accordance with the terms of the Agency Agreement. An individual certificate ("**individual certificate**") will be issued to each holder of Definitive W&C Securities in registered form in respect of its registered holding. Each individual certificate will be numbered serially with an identifying number which will be recorded in the register. Each holder for the time being registered in the Register (or in the case of a joint holding, the first named thereof) shall be treated by the Issuer, the Guarantor, the Registrar and any Security Agent as the Holder of such number, or nominal amount, as the case may be, of such W&C Securities in accordance with and subject to the terms of the relevant W&C Security (and the expression "**Holder**" and related expressions shall be construed accordingly).

In the case of Swedish Securities, the holder of any such W&C Security will be the person in whose name such W&C Security is registered in the Swedish Register in accordance with the Swedish CSD Rules and the reference to a person in whose name a Swedish Security is so registered shall include any person duly authorised to act as a nominee (in Swedish: *förvaltare*) and registered as such for the Swedish Securities and except as ordered by a court of competent jurisdiction or as required by law, such holder of such W&C Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expressions "**Holder**" and related expressions shall be construed accordingly). The Issuer shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

In the case of Finnish Securities, the holder of any such W&C Security will be the person in whose name such W&C Security is registered in the Finnish Register in accordance with the Euroclear Finland Rules and the person in whose name a Finnish Security is so registered shall include any person duly authorised to act as nominee and registered as such for the Finnish Securities and except as ordered by a court of competent jurisdiction or as required by law, such holder of such W&C Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expression "**Holder**" and related expressions shall be construed accordingly). The Issuer and the Finnish Security Agent shall be entitled to obtain information from the Finnish Register in accordance with the Euroclear Finland Rules.

In the case of CREST Securities, title to such CREST Securities is recorded on the relevant Operator register of corporate securities. The CREST Agent on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the CREST Securities and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the Holder of a particular number of CREST Securities shall be treated by the Issuer, the Guarantor and any Security Agent as the Holder of such number of CREST Securities for all purposes (and the expressions "**Holder**" and related expressions shall be construed accordingly), and (ii) neither the Issuer, the Guarantor nor any Security Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the CREST Securities.

No provisions of these Terms and Conditions as completed by the applicable Final Terms (notwithstanding anything contained therein) shall apply or have effect if it is in any respect inconsistent with (i) the holding of title to the CREST Securities in uncertificated form, (ii) the transfer of title to the CREST Securities by means of a relevant system, or (iii) the Uncertificated Securities Regulations (as defined below). Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Terms and

Conditions or the applicable Final Terms, so long as the CREST Securities are participating securities, (a) any CREST Security which is not for the time being in all respects (save as to Issue Price and Issue Date) identical to, or does not for the time being have rights attached thereto identical in all respects to those attached to, other CREST Securities of the same series shall be deemed to constitute a separate series of CREST Securities, (b) the Operator register of corporate securities relating to the CREST Securities shall be maintained at all times in the United Kingdom, (c) the CREST Securities may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations; and (d) for the avoidance of doubt, the Terms and Conditions and the applicable Final Terms in relation to any CREST Security shall remain applicable notwithstanding that they are not endorsed on any certificate for such CREST Security.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant "**Operator**" (as such term is used in the Uncertificated Securities Regulations) is Euroclear UK & Ireland ("**Euroclear UK**") or any additional or alternative operator from time to time approved by the Issuer, the Guarantor and the CREST Agent in relation to the CREST Securities and in accordance with the Uncertificated Securities Regulations. Any reference herein to the Operator shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Holders in accordance with Condition 12 (*Notices*).

(C) *Transfers of W&C Securities*

(a) *Global W&C Securities*

In the case of W&C Securities that are represented by a Global W&C Security, which is held by a Clearing System, all transactions (including permitted transfers of W&C Securities) in the open market or otherwise must be effected through an account at such Clearing System subject to and in accordance with the rules and procedures for the time being of such Clearing System. Title will pass, other than in the case of W&C Securities deposited with SIS upon registration of the transfer in the books of each Clearing System.

(b) *Definitive W&C Securities in registered form*

In the case of Definitive W&C Securities in registered form, the Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. Transfers of Definitive W&C Securities in registered form are effected upon (i) the surrender (at the specified office of the Registrar) of the individual certificate representing such Definitive W&C Securities to be transferred together with the form of transfer (which shall be available at the specified office of the Registrar) endorsed on such individual certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require, (ii) the recording of such transfer in the Register and (iii) issuance of a new individual certificate to the transferee.

(c) *Swedish Securities, Finnish Securities and CREST Securities*

In the case of Swedish Securities, the W&C Securities will be issued, cleared, settled and transferable only in accordance with the provisions of the Swedish CSD Rules. Title to Swedish Securities will pass by registration in the Swedish Register. Where a nominee is registered as a holder of Swedish Securities it shall be treated for all purposes as the holder of such Swedish Securities.

In the case of Finnish Securities, the W&C Securities shall be issued, cleared, settled and transferable only in accordance with the provisions of the Euroclear Finland Rules. Title to Finnish Securities will pass by registration in the Finnish Register. Where a

nominee is registered as a holder of Finnish Securities it shall be treated for all purposes as the holder of such Finnish Securities.

In the case of CREST Securities, all transactions (including transfers of CREST Securities) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator. Title will pass upon registration of the transfer in the Operator register of corporate securities.

Any reference herein to Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**"), Euroclear France S.A. ("**Euroclear France**"), Euroclear Sweden AB ("**Euroclear Sweden**"), Euroclear Finland, Ltd ("**Euroclear Finland**") or Euroclear UK shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Security Agent, from time to time and notified to the Holders in accordance with Condition 12 (*Notices*).

2. Status of the W&C Securities and Guarantee

The W&C Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Issuer.

The obligations of the Guarantor under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

3. Guarantee

Under the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed to the Holders, (i) the due and punctual payment of any and all amounts payable by the Issuer as obligor in respect of the W&C Securities and (ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of the W&C Securities, if applicable, when and as the same shall become due and payable or when the same shall become due for delivery pursuant to the Conditions and to the extent provided in the Guarantee. As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery W&C Securities when the same shall become due and deliverable, but in lieu thereof, to pay an amount in cash equal to the Guaranteed Cash Settlement Amount. The "**Guaranteed Cash Settlement Amount**" in respect of each W&C Security means an amount calculated pursuant to the terms of, or as specified in, the applicable Securities Note or, if not specified in the applicable Securities Note or if Final Terms apply to the W&C Security, an amount equal to the fair market value of the Entitlement in respect of such W&C Security on any date notified as such by the Guarantor to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor in its sole and absolute discretion. Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of Physical Delivery W&C Securities.

4. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants or Certificates), or, subject to Condition 24(F)(a)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 23(A)(a)).

"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.

"Business Day" means (a) a day (other than a Saturday or Sunday) (i) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s), specified in the applicable Final Terms, and, if the W&C Securities are (A) Swedish Securities, in Stockholm or (B) Finnish Securities, in Helsinki, and (ii) on which each Clearing System is open for business and (b) for the purposes of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is open and (c) for the purposes of making payments in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Hong Kong Special Administrative Region.

"Cash Settlement Amount" means, in relation to a Cash Settled W&C Security, the amount (which may never be less than zero) which the Holder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such W&C Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the applicable provisions set out in Annex 1 – *Additional Product Terms and Conditions*. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

"CBF Global W&C Securities" means the CBF Global Certificates and the CBF Global Warrants, each a **"CBF Global W&C Security"**.

"Clearing System" means:

- (a) in respect of W&C Securities represented by a Euroclear/CBL Global W&C Security, Euroclear and/or Clearstream, Luxembourg;
- (b) in respect W&C Securities represented by a CBF Global W&C Security, Clearstream, Frankfurt;
- (c) in respect of W&C Securities represented by a Euroclear France Global W&C Security, Euroclear France;
- (d) in respect of Swedish Securities, the Swedish CSD;
- (e) in respect of CREST Securities, Euroclear UK; or
- (f) in respect of Finnish Securities, Euroclear Finland.

"CREST Securities" means the CREST Warrants and the CREST Certificates (each as defined below) and each a **"CREST Security"**.

"Definitive Certificates" means a Definitive Bearer Certificate (as defined in Condition 27 (*Form of Certificates*)) or an individual certificate (as defined in Condition 27 (*Form of Certificates*)), as the context so requires.

"Definitive W&C Securities" means the Definitive Certificates.

"Entitlement" means the quantity of the Relevant Asset or Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such W&C Security or Unit, as the case may be, in accordance with the Conditions, as determined by the Calculation Agent and includes any documents evidencing such Entitlement.

"Euroclear/CBL Global W&C Securities" means the Euroclear/CBL Global Certificates and the Euroclear/CBL Global Warrants, each a **"Euroclear/CBL Global W&C Security"**.

"Euroclear Finland Rules" means Finnish laws, regulations, decisions and operating procedures from time to time applicable to the Finnish Securities and/or issued by Euroclear Finland.

"Euroclear France Global W&C Securities" means the Euroclear France Global Certificates and the Euroclear France Global Warrants, each a **"Euroclear France Global W&C Security"**.

"Exercise Date" has the meaning given to it in Part 7 of Annex 1- *Additional Product Terms and Conditions*.

"Exercise Price" means the price specified as the Exercise Price in the applicable Final Terms provided that if the "Exercise Price" is specified to be not applicable in the applicable Final Terms, then it shall be deemed that no Exercise Price is payable.

"FATCA Provisions" means Section 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time.

"Finnish Securities" means (a) in the case of Warrants, Finnish Warrants (as defined in Condition 21 (*Form of Warrants*)) or (b) in the case of Certificates, Finnish Certificates (as defined in Condition 27 (*Form of Certificates*)).

"Finnish Register" means the book-entry register maintained by Euroclear Finland on behalf of the Issuer in respect of Finnish Securities in accordance with the Euroclear Finland Rules.

"Global W&C Security" means (a) in the case of an issue of Warrants, the Global Warrant (as defined in Condition 21 (*Form of Warrants*)) representing such Warrants and (b) in the case of an issue of Certificates, the Global Certificate (as defined in Condition 27) representing such Certificates.

"Register" means the register held by the Registrar in respect of Registered W&C Securities.

"Regulation S" means Regulation S under the Securities Act.

"Relevant Assets" means the underlying asset(s) which may be delivered or distributed by the Issuer in accordance with the Conditions.

"Settlement Business Day" means any day on which the relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Settlement Currency" means the currency specified in the applicable Final Terms.

"Settlement Date" has the meaning given to it in Part 7 of Annex 1- *Additional Product Terms and Conditions*, unless LEPW Conditions are specified as applicable in the applicable Final Terms, "Settlement Date" has the meaning given to it in Part 4 of Annex 1- *Additional Product Terms and Conditions*.

"Swedish CSD" means the Swedish central securities deposit (*central värdepappersfövarare*) which is expected to be Euroclear Sweden.

"Swedish CSD Rules" means the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*) and any regulations, rules and operating procedures applicable to and/or issued by the Swedish CSD from time to time.

"Swedish Register" means the book-entry register maintained by the Swedish CSD on behalf of the Issuer in respect of Swedish Securities in accordance with the Swedish Rules.

"Swedish Securities" means (a) in the case of Warrants, Swedish Warrants (as defined in Condition 21 (*Form of Warrants*)) or (b) in the case of Certificates, Swedish Certificates (as defined in Condition 27 (*Form of Certificates*)).

"Uncertificated Securities Regulations" means the United Kingdom Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force.

"Unit" has meaning given in the applicable Final Terms.

"United States" means the United States of America (including the states and District of Columbia) and its possessions.

"United States Person" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended and in U.S. Treasury regulations.

5. General provisions relating to Physical Settlement in respect of W&C Securities

(A) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement in accordance with the Conditions is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such W&C Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Securities or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant W&C Securities or Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 12 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 12 (*Notices*) that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Holder shall be entitled to any payment in respect of the relevant W&C Security or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

"Disruption Cash Settlement Price" in respect of any relevant W&C Securities or Unit, as the case may be, shall be the fair market value of such W&C Securities or Unit, as the case may be, (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such duly delivered Relevant Assets), less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging

arrangements), all as determined by the Issuer in its sole and absolute discretion, plus, in the case of Warrants and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

"Settlement Disruption Event" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) in accordance with Condition 24(C)(b) (*Physical Delivery Warrants*) in the case of Warrants or Condition 29(A) (*Exercise*) in the case of Certificates.

(B) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery W&C Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **"Affected Relevant Assets"**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **"Failure to Deliver due to Illiquidity"**), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date and, in the case of Warrants, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Securities or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 12 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 12 (*Notices*) that the provisions of this Condition 5(B) apply.

For the purposes hereof:

"Failure to Deliver Settlement Price" means, in respect of any relevant W&C Security or Unit, as the case may be, the fair market value of such W&C Security or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, in the case of Warrants and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the W&C Securities, upon a valid exercise of W&C Securities in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such W&C Security or Unit elect not to pay the relevant Holders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement, as the case may be, to the relevant Holders but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders. Notification of such election will be given to Holders in accordance with Condition 12 (*Notices*) no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

6. General provisions relating to Settlement

(A) General Provisions

None of the Issuer, the Guarantor, the Calculation Agent, the Security Agents or the Registrar shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

Exercise of the W&C Securities is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor or any of its Affiliates, the Security Agents or the Registrar shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor or any of its Affiliates, the Security Agents or the Registrar shall under any circumstances be liable for any acts or defaults of Euroclear; Clearstream, Luxembourg; Clearstream, Frankfurt; Euroclear France; the Swedish CSD; Euroclear Finland or Euroclear UK in relation to the performance of their duties in relation to the W&C Securities.

The purchase of W&C Securities does not confer on any holder of such W&C Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(B) Payment Day

If the date for payment of any amount in respect of any W&C Security is not a Payment Day, the Holder thereof shall not be entitled to payment until (i) if "Following" is specified in the applicable Final Terms, the next following Payment Day or (ii) if "Modified Following" is specified in the applicable Final Terms, the next following Payment Day unless that Payment Day falls in the next calendar month, in which case the first preceding Payment Day, in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Day**" means any day which is

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation (in the case of a W&C Security in definitive form);
 - (ii) London, unless specified as not applicable in the applicable Final Terms; and
 - (iii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Settlement Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Settlement Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Settlement Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open, or (3) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre.

(C) Payment Disruption

- (a) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Final Terms specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption

Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant W&C Securities of the occurrence of such Payment Disruption Event or CNY Payment Disruption Event, as the case may be, in accordance with Condition 12 (*Notices*).

(b) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(i) *Extension of relevant dates*

The Calculation Agent may extend the Exercise Date, the Settlement Date or any other date on which the W&C Securities may be exercised or settled or any amount shall be due and payable in respect of the relevant W&C Securities, subject to Condition 6(C)(e) (*Payment Event Cut-off Date*), to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 12 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Holders in accordance with Condition 12 (*Notices*).

(ii) *Obligation to pay postponed*

The Calculation Agent may postpone the Issuer's obligation to pay the Cash Settlement Amount or any such other amounts in respect of the relevant W&C Securities or deliver any Relevant Asset, subject to Condition 6(C)(e) (*Payment Event Cut-off Date*), until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 12 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring.

(iii) *Issuer's option to vary settlement upon occurrence of Payment Disruption Event*

Notwithstanding the Issuer's right to extend the dates for payments in accordance with Condition 6(C)(b)(i) (*Extension of relevant dates*) or postpone payment in accordance with Condition 6(C)(b)(ii) (*Obligation to pay postponed*), as applicable, the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent;
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency;
- (3) in the case of Share Linked W&C Securities, deliver the Shares corresponding to such W&C Securities (as determined by the Calculation Agent) in lieu of cash settlement; or
- (4) in the case of Share Linked W&C Securities which reference a basket of Shares, elect to satisfy in part its obligation to pay the amounts as may be due and payable under the relevant W&C Securities by making a partial payment(s) or partial deliveries, as the case may be (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its sole and absolute discretion and shall be paid and/or delivered to the Holders *pro rata* (as far as possible, subject to any necessary

adjustments for rounding) to the proportion of the W&C Securities of the same series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its sole and absolute discretion, make any such corresponding adjustment to any variable relevant to the settlement or payment terms of the relevant W&C Securities as it deems necessary and shall notify the relevant Holders thereof in accordance with Condition 12 (*Notices*).

Any payments or deliveries made in accordance with this Condition 6(C)(b)(iii) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with paragraphs (1) to (3)) and in part (in the case of Partial Distributions made in accordance with paragraph (4)) the Issuer's obligation to pay the Cash Settlement Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(c) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(i) *Extension of relevant dates*

If "Extension" is specified to be applicable in the applicable Final Terms, then Condition 6(C)(b)(i) (*Extension of relevant dates*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(ii) *Obligation to pay postponed*

If "Payment Postponement" is specified to be applicable in the applicable Final Terms, then Condition 6(C)(b)(ii) (*Obligation to pay postponed*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(iii) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Final Terms, and the Calculation Agent determines that such CNY Payment Disruption Event is material in relation to the Issuer's obligations under the relevant W&C Securities to pay any Additional Amount, Cash Settlement Amount or other amount in respect of the relevant W&C Securities on the relevant Additional Amount Payment Date, Settlement Date or such other date on which any amount in respect of the relevant W&C Securities shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Holders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Additional Amount, Cash Settlement Amount or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Additional Amount, Settlement Amount or other amount in respect of the relevant W&C Securities.

(d) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (a) any payments or deliveries made in accordance with Condition 6(C)(b) (*Consequences of a Payment Disruption Event*) or Condition 6(C)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be, shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (b) no interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the

W&C Securities as a result of the operation of Condition 6(C)(b) (*Consequences of a Payment Disruption Event*) or Condition 6(C)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be.

(e) *Payment Event Cut-off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-off Date, the Exercise Date, the Settlement Date, or any other date on which any Additional Amount, Cash Settlement Amount or other amount in respect of the relevant W&C Securities shall be due and payable (as the case may be) for the relevant W&C Securities shall fall on the Payment Event Cut-off Date. In such circumstances, the Holder will not receive any amounts. Thereafter, the Issuer shall have no obligations whatsoever under the W&C Securities.

For the purposes of this Condition 6(C):

"Base Currency" means the currency specified as such in the applicable Final Terms;

"CNY" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

"CNY Payment Disruption Event" means the occurrence of any of the following events:

- (a) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the W&C Securities in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a **"CNY Inconvertibility Event"**);
- (b) an event that makes it impossible or impractical for the Issuer to (i) deliver CNY between accounts inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a **"CNY Non-Transferability Event"**); and
- (c) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the W&C Securities (a **"CNY Non-Availability Event"**);

"CNY Settlement Centre" means the financial centre(s) specified as such in the applicable Final Terms;

"Equivalent Amount" means, in respect of the relevant Additional Amount, Cash Settlement Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the **"Relevant Amount"**), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

"Equivalent Amount Settlement Rate" means in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China;

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Centre;

"impractical" or "impracticability" means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

"Payment Disruption Event" means:

- (a) the occurrence of either (a) an Inconvertibility Event and/or (b) a Non-Transferability Event (each as defined in Part 7 to Annex 1 – *Additional Product Terms and Conditions*);
- (b) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the W&C Securities, and notice thereof is given by the Issuer to the Holders in accordance with Condition 12 (*Notices*); or
- (c) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the W&C Securities;

"Payment Event Cut-off Date" means the date which is one year after the Exercise Date, Settlement Date or as determined by the Calculation Agent acting in good faith and notified to Holders in accordance with Condition 12 (*Notices*);

"Subject Currency" means the currency specified as such in the applicable Final Terms; and

"Subject Currency Jurisdiction" means the country for which the Subject Currency is the lawful currency.

7. **Currency Substitution Event**

In the event that the Issuer and the Calculation Agent, in their discretion, determine that any Relevant Governmental Authority (as defined below) of a country, bloc of countries or other applicable sovereign entity or entities (each, an **"Applicable Jurisdiction"**) announces or in any event effects (whether pursuant to legislation enacted for such purpose in the Applicable Jurisdiction, in accordance with or in breach of applicable international treaties, or in any other manner) the replacement of the lawful currency (the **"Initial Currency"**) of an Applicable Jurisdiction with a substitute currency (**"Substitute Currency"**) (for the avoidance of doubt, including circumstances in which a country (a **"Departing Country"**) within a bloc of countries in a currency union passes legislation (or a Relevant Governmental Authority thereof announces that it will pass legislation or otherwise seeks) to effect or does effect the

withdrawal of such Departing Country from the currency bloc and the replacement of the currency of the currency union with another currency as the official currency of the Departing Country) (any such event being a "Currency Substitution Event"), and:

- (a) the calculation of amounts to be paid or assets to be delivered under any W&C Security is linked to one or more Underlying Assets, and the currency by which the Underlying Asset(s) and/or any component(s) thereof is priced, quoted or traded is (or, in the Issuer's reasonable opinion is likely to be), as a result of the Currency Substitution Event, redenominated from the Initial Currency into the Substitute Currency; and/or
- (b) the calculation of amounts to be paid or assets to be delivered under any W&C Security is linked to one or more floating rates of interest based on or related to amounts denominated in the Initial Currency; and/or
- (c) the Hedging Arrangements (as defined below) in respect of any W&C Security have been materially adversely affected by (A) the Currency Substitution Event and/or (B) capital controls or other restrictions imposed by a Relevant Governmental Authority of the Applicable Jurisdiction, and the Hedging Party (as defined below) is unable, after using commercially reasonable efforts, to alter or modify the Hedging Arrangements and/or establish alternate Hedging Arrangements to fully account for the material adverse effect of (A) and/or (B) above,

then, unless otherwise set out in the applicable Final Terms, the Issuer and the Calculation Agent may, in their discretion:

- (x) make such adjustments, as shall be notified to each holder of the relevant W&C Securities, to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the W&C Security as the Issuer determines appropriate to (i) (in the case of (a) or (b) above) preserve the economic terms of such W&C Securities as of the Issue Date, including, without limitation, making any currency conversion necessary as part of any such adjustment based on the relevant official conversion rate or at an appropriate market rate of exchange determined by the Calculation Agent to be prevailing as of any relevant time and date, or (ii) (in the case of (c) above) account for the material adverse effect on the Hedging Arrangements and in order to effect a commercially reasonable result; or
- (y) settle such W&C Securities on such day as shall be notified to the relevant Holders and pay an early settlement amount (which shall be the fair market value of the W&C Securities, taking into account the Currency Substitution Event and its consequences as described above, less any and all costs associated or incurred by the Issuer and/or any of its affiliates or agents in connection with such early settlement, including, without limitation, any costs associated with unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) as determined by the Calculation Agent in its sole and absolute discretion) to the holder in respect of each W&C Security.

For the avoidance of doubt, the circumstances and consequences described in this Condition 7 and any resulting or alternative adjustments to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the applicable W&C Security will not entitle any holder of such W&C Securities (A) to any legal remedy, including, without limitation, rescission, repudiation, or renegotiation of the W&C Security, or (B) to raise any defence or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

For the purposes of this Condition 7:

"Hedging Arrangements" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under any W&C Security.

"Hedging Party" means, the Issuer or any of the Issuer's affiliate(s) or any entity (or entities) acting on the Issuer's behalf engaged in any underlying or hedging transactions relating to any W&C Security and/or underlying market measure(s) in respect of the Issuer's obligations under the W&C Security.

"Relevant Governmental Authority" means, in relation to any Applicable Jurisdiction, any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of such Applicable Jurisdiction.

8. **Cancellation for Tax Reasons and Tax Compliance Reasons**

(A) *Cancellation for Tax Reasons*

The Issuer may cancel the W&C Securities, in whole, but not in part, at any time at their Early Settlement Amount (as defined in Condition 9 (*Illegality*)), if the Issuer shall determine that any payment or deemed payment as determined for United States tax purposes with respect to the W&C Securities or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the W&C Securities may be treated as a dividend or "dividend equivalent" for United States tax purposes (such event being a **"U.S. Withholding Tax Event"**).

(B) *Cancellation for Tax Compliance Reasons*

The Issuer may, at its option, cancel the W&C Securities, in whole or in part, at any time, at their Early Settlement Amount (as defined in Condition 9 (*Illegality*)), if the Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA Provisions, provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such W&C Securities (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications or identifying information (such cancellation, a **"Cancellation for Tax Compliance Reasons"**). Upon a Cancellation for Tax Compliance Reasons, W&C Securities held by compliant Holders, in addition to those held by non-compliant Holders, may be cancelled.

Notice of intention to cancel W&C Securities will be given in accordance with Condition 12 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for cancellation. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 12 (*Notices*).

9. **Illegality**

If the Issuer determines that (i) the performance of its obligations under the W&C Securities or that any arrangements made to hedge the Issuer's obligations under the W&C Securities or (ii) the performance by the Guarantor of its obligations under the Guarantee in respect of the W&C Securities, have become illegal in whole or in part for any reason, the Issuer may cancel the W&C Securities by giving notice to Holders in accordance with Condition 12 (*Notices*).

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the W&C Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each W&C Security or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion (the **"Early**

Settlement Amount"). Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 12 (*Notices*).

10. **Purchases**

The Issuer, the Guarantor or any of their Affiliates may, but is not obliged to, at any time purchase W&C Securities at any price in the open market or by tender or private treaty. Any W&C Securities so purchased may be held or resold or surrendered for cancellation.

11. **Agents, Determinations, Modifications and Meeting Provisions**

(A) *Security Agents and Registrar*

The specified offices of the Security Agents and the Registrar are as set out at the end of these Terms and Conditions.

The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Security Agent or the Registrar and to appoint further or additional Security Agents or Registrar, provided that no termination of appointment of the Principal Security Agent or Registrar shall become effective until a replacement Principal Security Agent or Registrar shall have been appointed and provided that, so long as any of the W&C Securities are listed on any stock exchange or admitted to trading or listing by any other relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and provided further that (i) so long as any of the W&C Securities are represented by a CBF Global W&C Security there shall be a Frankfurt Security Agent, (ii) so long as any of the W&C Securities are represented by a Euroclear France Global W&C Security there shall be a Paris Security Agent, (iii) so long as any of the W&C Securities are Swedish Securities there shall be a Swedish Security Agent who shall be duly authorised as an account operator and issuing agent under the Swedish CSD Rules, (iv) so long as any of the W&C Securities are CREST Securities, there shall be a CREST Agent and (v) so long as any of the W&C Securities are Finnish Securities there shall be a Finnish Security Agent who shall be duly authorised as an account operator and issuing agent under the Euroclear Finland Rules. Notice of any termination of appointment and of any changes in the specified office of any Security Agent or the Registrar will be given to Holders in accordance with Condition 12 (*Notices*) provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, each Security Agent and the Registrar acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations by the Security Agents or Registrar in respect of the W&C Securities shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, the Guarantor and the Holders.

The Agency Agreement may be amended by the parties thereto, without the consent of the Holders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Holders.

In the case of Swedish Securities, the Issuer has appointed the Swedish Security Agent. The Swedish Security Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency and trust with, the Holders.

In the case of Finnish Securities, the Issuer has appointed the Finnish Security Agent. The Finnish Security Agent acts solely as agent to the Issuer and does not assume any obligation to, or relationship of agency with, the Holders.

(B) *Calculation Agent*

In relation to each issue of W&C Securities, the Calculation Agent (whether it be Merrill Lynch International or another entity) acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with,

the Holders. All calculations and determinations made in respect of the W&C Securities by the Calculation Agent shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, the Guarantor, the Security Agents and the Holders. The Calculation Agent shall promptly notify the Issuer and the Principal Security Agent upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest or proven error) no liability to the Issuer, the Guarantor, the Security Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a suitably competent third party of good standing as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest or proven error) be final, conclusive and binding on the Security Agents, the Registrar and the Holders.

(D) *Modifications and Meetings Provisions*

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Terms and Conditions of the W&C Securities or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by the Holders holding not less than 33 per cent. (by number) of the W&C Securities of the relevant Series for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing in the aggregate not less than 50 per cent. (by number) of the W&C Securities of the relevant Series for the time being unexercised, or at any adjourned meeting one or more persons present whatever the number of the W&C Securities so held or represented by them, except that at any meeting the business of which includes the modification of certain provisions of the Terms and Conditions of the W&C Securities (including modifying the Exercise Date, reducing or cancelling the Cash Settlement Amount or the Entitlement or the additional amount payable (if applicable) or altering the Cash Settlement Currency), the quorum shall be one or more persons present and holding or representing not less than two-thirds (by number) of the W&C Securities of the relevant Series for the time being unexercised, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third (by number) of the W&C Securities of the relevant Series for the time being unexercised. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all Holders, whether or not they are present at the meeting.

The relevant Security Agents and/or Registrar and the Issuers may agree, without the consent of the Holders, to:

- (a) any modification (except as mentioned above) of the W&C Securities or Agency Agreement which is not prejudicial to the interests of the Holders; or
- (b) any modification of the W&C Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

12. **Notices**

In the case of W&C Securities represented by a Global W&C Security, Swedish Securities or Finnish Securities, all notices to Holders shall be valid: (i) if delivered (x) in the case of W&C Securities, which are not Swedish Securities or Finnish Securities, to each Clearing System, for communication by them to the Holders, (y) in the case of Swedish Securities, by mail to

the address registered for such Holder in the Swedish Register or otherwise in accordance with the rules and regulations of the Swedish CSD, (z) in the case of Finnish Securities, by (A) mail from the Issuer or the Finnish Security Agent to the address registered for such Holder in the Finnish Register, (B) e-mail or other electronic means such as a SWIFT message from the Issuer or the Finnish Security Agent to the e-mail, SWIFT or relevant electronic address for such Holder as provided by Euroclear Finland, (C) publication in a leading Finnish language daily newspaper of general circulation in Helsinki (which is expected to be *Kauppalehti*) or (D) otherwise in accordance with the rules and regulations of Euroclear Finland and; (ii) if and so long as the W&C Securities are admitted to trading on, and listed on any stock exchange or are admitted to trading by another relevant authority, if delivered in accordance with the rules and regulations of the relevant stock exchange or other relevant authority.

If the W&C Securities are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, notices shall be published either in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If the W&C Securities are admitted to trading on Euronext Paris S.A. and so long as the rules of Euronext Paris S.A. so require, notices shall be published in a leading daily financial newspaper having general circulation in Paris (which is expected to be *Les Echos* or *La Tribune*) or if such newspapers cease to be published or timely publication in them shall not be practicable in such other financial daily newspaper having general circulation in Paris.

In the case of Definitive Certificates, notices to the Holders will be deemed to be validly given if: (i) in the case of Definitive Certificates other than Definitive Registered Certificates, published in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*), or (ii) in the case of Definitive Registered Certificates, if posted to the Holders of such Definitive Registered Certificates at their respective addresses in the Register.

In the case of CREST Securities, notices to the Holders shall be valid (i) if delivered to the address of the Holder appearing in the Record on the second Business Day immediately prior to despatch of such notice by first class post or by hand or, if such address is not in the United Kingdom, by airmail post (such notices to be delivered or sent in accordance with provision (i) shall be sent at the risk of the relevant Holder), or (ii) if published in a daily newspaper with general circulation in the United Kingdom (which is expected to be the *Financial Times*).

Any such notice shall be deemed to have been given (i) in the case of W&C Securities which are neither Swedish Securities nor Finnish Securities and which are held through a Clearing System, on the day on which such notice is delivered to the relevant Clearing System, (ii) in the case of W&C Securities which are not Swedish Securities, Finnish Securities or CREST Securities and which are not held through a Clearing System, on the second Business Day following such publication, (iii) in the case of Swedish Securities, if sent by mail to the Holders, on the fourth weekday (being a day other than a Saturday or a Sunday) following the day on which the notice was sent by mail or other electronic means such as SWIFT message, in each case if earlier, the date of such publication or, if published more than once, on the date of the first such publication, (iv) in the case of Finnish Securities, (x) if sent by mail to the Holders, on the fourth weekday (being a day other than a Saturday or a Sunday) following the day on which the notice was sent by mail, (y) if sent by e-mail to the Holders, on the weekday (being a day other than a Saturday or a Sunday) following the day on which such e-mail was sent or, (z) in each case if earlier, the date of such publication or, if published more than once, on the date of the first such publication, (v) in the case of CREST Securities, if delivered by hand, at the time of delivery, if sent by first class post, two Business Days after despatch or, if sent by airmail post, five Business Days after despatch or the date of such publication or, if published more than once, on the date of the first such publication; or (vi) in the case of Definitive Registered Certificates, if sent by post, on the fourth weekday (being a day other than Saturday or Sunday) after the date of mailing.

13. **Expenses and Taxation**

- (a) A holder of W&C Securities must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such W&C Securities and/or, if applicable, the delivery of the Entitlement pursuant to the terms of such W&C Securities (together "**Expenses**").
- (b) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

14. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further W&C Securities so as to be consolidated with and form a single series with the outstanding W&C Securities.

15. **Substitution of the Issuer, Consolidation and Merger**

(A) *Substitution of the Issuer*

The Issuer, or any previous substituted company or other entity, may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the W&C Securities any company or other entity (the "**Substitute**") being the Guarantor or any of its other subsidiaries, subject to:

- (i) (except in the case of the substitution of the Guarantor), the W&C Securities being guaranteed by the Guarantor on the same terms, *mutatis mutandis*, as the W&C Securities;
- (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the W&C Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
- (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (iv) the Substitute and the Issuer shall have obtained legal opinions from independent legal advisers of recognised standing in the country of incorporation or other form of organisation of the Substitute, and (if the Guarantor is not the Substitute) the States of Delaware and New York and England, that the obligations of the Substitute and (if the Guarantor is not the Substitute) the Guarantor are legal, valid and binding obligations, that all consents and approvals as aforesaid have been obtained;
- (v) the Issuer shall have given at least 30 calendar days' prior notice of the date of such substitution to the Holders in accordance with Condition 12 (*Notices*);
- (vi) each stock exchange or market on which the W&C Securities are listed or admitted to trading shall have confirmed that, following the proposed substitution by the Substitute, the W&C Securities will continue to be listed or admitted to trading on such stock exchange(s) or such market(s), as the case may be;
- (vii) if appropriate, the Substitute shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the W&C Securities;

- (viii) if the Securities are Swedish Securities, the Swedish CSD having given its consent to such substitution (such consent not to be unreasonably withheld or delayed); and
- (ix) if the Securities are Finnish Securities, Euroclear Finland having given its consent to such substitution (such consent not to be unreasonably withheld or delayed).

(B) *Consolidation or Merger*

The Issuer or the Guarantor may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other company provided that in any such case, (a) in the case of the Issuer, either the Issuer shall be the continuing company, or the successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, payable or deliverable, as applicable, with respect to the W&C Securities, according to their tenor, and the due and punctual performance and observance of all of the obligations under the Conditions to be performed by the Issuer by an amendment to the Agency Agreement executed by, *inter alios*, such successor company, the Guarantor and the Principal Security Agent, and (b) in the case of the Guarantor, the Guarantor shall be the continuing company, or the successor company shall be a company organised and existing under the laws of the United States or a state thereof or the District of Columbia and such successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, payable or deliverable, as applicable, with respect to the Guarantee by the execution of a new guarantee of like tenor. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor company, such successor company shall succeed to and be substituted for the Issuer or the Guarantor, as the case may be, with the same effect as if it had been named herein as the Issuer or the Guarantor, as the case may be, and the Issuer or the Guarantor, as the case may be, except in the event of a conveyance by way of lease, shall be relieved of any further obligations under the Conditions, the Agency Agreement and the each Guarantee, as applicable.

16. **Governing Law and Submission to Jurisdiction**

(A) *Governing law*

The W&C Securities, Global W&C Securities, Definitive W&C Securities, the Agency Agreement and the W&C Securities Deed of Covenant and any non-contractual obligations arising out of the W&C Securities, Global W&C Securities, Definitive W&C Securities, the Agency Agreement and the W&C Securities Deed of Covenant (including without limitation any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the W&C Securities, Global W&C Securities, Definitive W&C Securities, the Agency Agreement and the W&C Securities Deed of Covenant or their respective formation) shall be governed by, and construed in accordance, with English law.

The Guarantee is governed by, and shall be construed in accordance with, laws of the State of New York.

(B) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the W&C Securities and the Global W&C Securities ("**Proceedings**"), the courts of England have exclusive jurisdiction and the Issuer and the Holders submit to the exclusive jurisdiction of the English courts. The Issuer and the Holders waive any objection to Proceedings in the English courts on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

For greater certainty, the Guarantor has not submitted to the jurisdiction of the English courts in the Guarantee and claims under the Guarantee are required to be instituted in a federal court in the Borough of Manhattan in the City and State of New York.

(C) *Appointment of Process Agent*

The Issuer hereby appoints Merrill Lynch Corporate Services Limited, currently at 2 King Edward Street, London EC1A 1HQ as its agent in England to receive service of process in any Proceedings in England. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

17. **Adjustments for European Monetary Union**

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 12 (*Notices*):

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Securities shall be redenominated in euro.

The election will have effect as follows:

- (i) where the Settlement Currency of the W&C Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Securities will be made solely in euro as though references in the W&C Securities to the Settlement Currency were to euro;
- (ii) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and
- (iii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (b) require that the Calculation Agent make such adjustments to, in the case of Warrants, the Exercise Price and/or any other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on, in the case of Warrants, the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates or agents, the Calculation Agent, any Security Agent or the Registrar shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Condition, the following expressions have the following meanings:

"Adjustment Date" means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European

Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

"**euro**" means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

"**Treaty**" means the treaty establishing the European Community, as amended from time to time.

18. **Contracts (Rights of Third Parties) Act 1999**

The W&C Securities do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the "Act") to enforce any term of the W&C Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

19. **Terms applicable to Warrants only**

Conditions 20 (*Definitions (Warrants)*), 21 (*Form of Warrants*), 22 (*Style and Title (Warrants)*), 23 (*Exercise Rights (Warrants)*) and 24 (*Exercise Procedure (Warrants)*) apply to Warrants only.

20. **Definitions (Warrants)**

For the purposes of the Warrants:

"**Exercise Business Day**" means a day that is a Business Day and, in the case of an Index Linked Warrant or Share Linked Warrant, a Scheduled Trading Day; and

"**In-The-Money**" means:

- (a) in the case of a Cash Settled Warrant, the Cash Settlement Amount in respect of such Warrant is greater than zero; and
- (b) in the case of a Physical Delivery Warrant, the value of the Entitlement on the Actual Exercise Date for such Warrant is greater than the Exercise Price as determined by the Calculation Agent.

21. **Form of Warrants**

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons pursuant to an exemption from the registration requirements of the Securities Act and are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such Series of Warrants will on issue be constituted by either a global bearer warrant (the "**Euroclear/CBL Global Bearer Warrant**") or a global registered warrant (the "**Euroclear/CBL Global Registered Warrant**") and, together with a Euroclear/CBL Global Bearer Warrant, a "**Euroclear/CBL Global Warrant**"), which, in either case, will be deposited with, the Common Depositary and, in the case of Euroclear/CBL Global Registered Warrants, registered in the name of the nominee of such depositary.

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons pursuant to an exemption from the registration requirements of the Securities Act and are to be issued into and transferred through accounts at Clearstream, Frankfurt, such Series of Warrants will on issue be constituted by a global bearer warrant (the "**CBF Global Warrant**"), provided, however, that the CBF Global Warrants will be treated as in registered form for United States federal

income tax purposes. The CBF Global Warrant will be delivered on or prior to the issue date of the relevant series of CBF Global Warrants to Clearstream, Frankfurt.

If the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons pursuant to an exemption from the registration requirements of the Securities Act and are to be issued into and transferred through accounts at Euroclear France, such Series of Warrants will on issue be constituted by a global bearer warrant (the "**Euroclear France Global Warrant**") which will be deposited with Euroclear France.

The Euroclear/CBL Global Warrant, the CBF Global Warrant and the Euroclear France Global Warrant are referred to herein as the "**Global Warrants**" and each a "**Global Warrant**".

If the Warrants are Swedish Warrants ("**Swedish Warrants**") and the applicable Final Terms indicates that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons pursuant to an exemption from the registration requirements of the Securities Act and are to be issued into and cleared through the Swedish CSD, such Series of Warrants will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag* (1998: 1479) *om kontoföring av finansiella instrument*).

If the Warrants are Finnish Warrants ("**Finnish Warrants**") and the applicable Final Terms indicate that such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons pursuant to an exemption from the registration requirements of the Securities Act and are to be issued into and cleared through Euroclear Finland, such Series of Warrants will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991)).

If the applicable Final Terms indicate that Warrants (the "**CREST Warrants**") are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons and are to be issued into and cleared through accounts at Euroclear UK, such Series of Warrants will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The Warrants are participating securities for the purposes of the Uncertificated Securities Regulations.

22. **Style and Title (Warrants)**

(A) *Style*

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**") and whether automatic exercise ("**Automatic Exercise**") applies to the Warrants and whether the Warrants may only be exercised in Units. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Warrants or Finnish Warrants they will be European Style Warrants, Cash Settled W&C Securities and Automatic Exercise will apply.

23. **Exercise Rights (Warrants)**

(A) *Exercise Period*

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified as applicable in the applicable Final Terms, in the case of Warrants represented by a Global Warrant, any such American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg, Frankfurt or Paris or Zurich time, as the case may be, on the last Exercise Business Day of the Exercise Period (the "**Expiration Date**"), shall become void.

If Automatic Exercise is specified as applicable in the applicable Final Terms, in the case of Warrants represented by a Global Warrant, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg, Frankfurt, Paris or Zurich time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date and the provisions of Condition 24(E) shall apply.

In the case of Warrants represented by a Global Warrant, the Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Brussels, Luxembourg, Frankfurt or Paris time (as appropriate), to Euroclear, Clearstream, Luxembourg, the Frankfurt Warrant Agent or the Paris Security Agent, as the case may be, and, a copy thereof is delivered to Merrill Lynch International, the Registrar (in the case of Euroclear/CBL Global Registered Warrants) and the Principal Warrant Agent, in each case as provided in Condition 24 (*Exercise Procedure (Warrants)*), or, if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised on the Expiration Date as provided above, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by Euroclear or Clearstream, Luxembourg or the Frankfurt Warrant Agent or the Paris Security Agent, as the case may be, or if a copy thereof is delivered to Merrill Lynch International, the Registrar (in the case of Euroclear/CBL Global Registered Warrants), and the Principal Warrant Agent, in each case, after 10.00 a.m., Brussels, Luxembourg, Frankfurt or Paris time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. Brussels, Luxembourg, Frankfurt, or Paris time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii) if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

In the case of any CREST Warrant that is an American Style Warrant (an "**American Style CREST Warrant**") with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. London time on the Expiration Date, such Warrant shall be automatically exercised on the Expiration Date, provided that such Warrant is in the determination of the Calculation Agent "In-The-Money". If such Warrant is not in the determination of the Calculation Agent "In-The-Money", no Automatic Exercise shall occur.

With respect to an American Style CREST Warrant, the "Actual Exercise Date" means (a) the Exercise Business Day during the Exercise Period on which an Exercise Notice in respect of an American Style CREST Warrant is delivered to the CREST Agent at or prior to 10.00 a.m. London time or (b) in the case of Automatic Exercise, the Expiration Date. If any Exercise Notice in respect of an American Style CREST Warrant is received by the CREST Agent after 10.00 a.m. London time on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. London

time on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Expiration Date in accordance with this provision.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

In the case of Warrants represented by a Global Warrant, if Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg, Frankfurt, Paris or Zurich time (as appropriate) on the Actual Exercise Date, shall become void. If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg, Frankfurt, Paris or Zurich time, as the case may be, on the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 24(E) shall apply.

In the case of Swedish Warrants and CREST Warrants, if any such Warrant is in the determination of the Calculation Agent "In-The-Money" on the Actual Exercise Date, such Warrant shall be automatically exercised on the Actual Exercise Date.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

(B) *Cash Settlement*

In the case of Warrants which are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

(C) *Physical Settlement*

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price, if any, and any other Expenses or sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following exercise of a Share Linked Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the

relevant Exercise Notice as referred to in Condition 24(A)(a)(2)(vi) (*Exercise Notices*), Condition 24(A)(b)(2)(iv) (*Exercise Notices*) or Condition 24(A)(c)(2)(iv) (*Exercise Notices*), as applicable.

All references in this Condition to "Brussels, Luxembourg, Frankfurt or Paris time" shall, where W&C Securities are cleared through an additional or alternative clearing system other than the Swedish CSD or Euroclear Finland, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

24. Exercise Procedure (Warrants)

(A) Exercise Notices

(a) Warrants represented by a Euroclear/CBL Global Warrant

Subject as provided in Condition 24(E) (*Automatic Exercise*), Warrants represented by a Euroclear/CBL Global Warrant may only be exercised by the sending of an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with Euroclear and/or Clearstream, Luxembourg's rules and operating procedures (an "**Exercise Notice**") which includes the information set out in the Agency Agreement (copies of which may be obtained from Euroclear, Clearstream, Luxembourg and the relevant Security Agents) to Euroclear or Clearstream, Luxembourg, as the case may be in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition. Euroclear and Clearstream, Luxembourg will send copies of any Exercise Notices so received to the Principal Warrant Agent and the Principal Warrant Agent will send such copies to Merrill Lynch International and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (i)** specify the ISIN of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii)** specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
- (iii)** irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
- (iv)** specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised and include an authorisation for Euroclear or Clearstream, Luxembourg to disclose such number of the Holder's account to the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar;
- (v)** certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (vi)** authorise the production of such certification in applicable administrative or legal proceedings, all as provided in the Agency Agreement.

- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the ISIN of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
 - (iv) irrevocably instruct Euroclear or Clearstream, Luxembourg, to debit on the Actual Exercise Date a specified account of the Holder with Euroclear or Clearstream, Luxembourg, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
 - (v) include such details as are required by Condition 24(C)(b) (*Physical Delivery Warrants*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price as applicable, or in respect of any Partial Cash Settlement Amount;
 - (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (3) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Exercise Notice will be different from that set out above. Copies of such information required for this Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg, the relevant Security Agents and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar.

- (b) Warrants represented by a CBF Global Warrant

Subject as provided in Condition 24(E) (*Automatic Exercise*), Warrants represented by a CBF Global Warrant may only be exercised by the delivery or the sending by facsimile (confirmed in writing) of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be

obtained from the relevant Security Agents) to the Frankfurt Warrant Agent with a copy to Merrill Lynch International and the Principal Warrant Agent, in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition. The relevant Holder must also transfer to the Frankfurt Warrant Agent the Warrants to which such Exercise Notice relates and failure to transfer such Warrants at or prior to the time such Exercise Notice is delivered shall render such Exercise Notice null and void.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the name and number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iii) include an undertaking to pay all Expenses;
 - (iv) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (v) authorise the production of such certification in applicable administrative or legal proceedings,all as provided in the Agency Agreement.
- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) include an undertaking to pay the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
 - (iii) include an undertaking to pay all Expenses;
 - (iv) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;

- (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (3) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Security Agents.
- (c) Warrants represented by a Euroclear France Global Warrant

Subject as provided in Condition 24(E) (*Automatic Exercise*), Warrants represented by a Euroclear France Global Warrant may only be exercised by the delivery or the sending by facsimile (confirmed in writing) of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the Paris Security Agent with a copy to Merrill Lynch International and the Principal Warrant Agent in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition. The relevant Holder must also transfer to the Paris Security Agent the Warrants to which such Exercise Notice relates and failure to transfer such Warrants at or prior to the time such Exercise Notice is delivered shall render such Exercise Notice null and void.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the name and number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency or the number of the Holder's account at Euroclear France, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iii) include an undertaking to pay all Expenses;
 - (iv) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (v) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) include an undertaking to pay the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
 - (iii) include an undertaking to pay all Expenses;
 - (iv) include such details as are required by Condition 24(C)(b) (*Physical Delivery Warrants*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency or the number of the Holder's account at Euroclear France, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (3) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Security Agents.

(d) CREST Warrants

Subject as provided in Condition 24(E) (*Automatic Exercise*), CREST Warrants may only be exercised by the delivery or sending by fax of a duly completed exercise notice (the "**Exercise Notice**") in the form set out in the Agency Agreement (copies may be obtained from the CREST Agent) to the CREST Agent with a copy to Merrill Lynch International in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the name, address and a contact telephone number of the relevant Holder;
 - (ii) request the exercise of the Warrants or Units to which the Exercise Notice relates;

- (iii) specify the ISIN and the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of the Units being exercised;
 - (iv) specify the Participant ID and Member Account (if any) of the Holder at the Operator from which the Warrants to which the Exercise Notice relates will be delivered to the CREST Agent's account with the Operator against payment of the Cash Settlement Amount (if any) less any Expenses on the Settlement Date;
 - (v) irrevocably agree to deliver such instructions to the Operator as may be requested by the Agent to give effect to the delivery and payment on the Settlement Date described in (iv) above;
 - (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vii) authorise the production of such certification in applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the name, address and a contact telephone number of the relevant Holder;
 - (ii) request the exercise of the Warrants or Units to which the Exercise Notice relates;
 - (iii) specify the ISIN and the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of the Units being exercised;
 - (iv) specify the Participant ID and Member Account (if any) of the Holder at the Operator from which the Warrants to which the Exercise Notice relates will be delivered to the CREST Agent's account with the Operator against delivery of the Entitlement on the Settlement Date;
 - (v) specify the cash memorandum account of the Holder as shown in the records of the Operator from which the aggregate Exercise Prices and all Expenses (together with any other amounts payable) in respect of such Warrants will be paid to the CREST Agent's account with the Operator against delivery of the Entitlement on the Settlement Date;
 - (vi) irrevocably agree to deliver such instructions to the Operator as may be requested by the Agent to give effect to the delivery and payment on the Settlement Date described in (v) above;
 - (vii) include such details as are required by Condition 24(C)(b) (*Physical Delivery Warrants*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's cash memorandum account as shown in the records of the Operator to be

credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price (each as defined in Condition 5 (*General provisions relating to Physical Settlement in respect of W&C Securities*)));

- (viii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (ix) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(e) Irrevocable Election

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

(B) *Verification of the Holder*

In the case of Warrants represented by a Euroclear/CBL Global Warrant, upon receipt of a valid Exercise Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Warrants is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar, the ISIN and the amount of Warrants being exercised, the account number of the exercising Holder, a confirmation of the exercising Holder's certification and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Euroclear/CBL Global Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such Euroclear/CBL Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of a CBF Global Warrant, upon receipt of an Exercise Notice and the relevant Warrants, the Frankfurt Warrant Agent shall verify that the person delivering the Exercise Notice, prior to such transfer was the holder according to the records of Clearstream, Frankfurt. Subject thereto, the Frankfurt Warrant Agent shall notify the Issuer of the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Frankfurt Warrant Agent will inform the Issuer thereof. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants

constituted by the CBF Global Warrant, it will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such CBF Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of a Euroclear France Global Warrant upon receipt of an Exercise Notice and the relevant Warrants, the Paris Security Agent shall verify that the person delivering the Exercise Notice, prior to such transfer was the holder according to the records of Euroclear France. Subject thereto, the Paris Security Agent shall notify the Issuer of the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Paris Security Agent will inform the Issuer. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Euroclear France Global Warrant, it will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such Euroclear France Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of a CREST Warrant, upon receipt of an Exercise Notice the CREST Agent shall verify that the person delivering such notice is the Holder of the related Warrants according to the Record maintained by the CREST Agent. Subject thereto the CREST Agent, on behalf of the Issuer, shall promptly liaise with the Holder to request that it delivers any necessary instructions to the Operator referred to in Condition 24(A)(d)(1)(v) (*CREST Warrants*) to give effect to the delivery of the relevant Warrants to the CREST Agent's account with the Operator against payment of the Cash Settlement Amount (if any) less any Expenses on the Settlement Date. Settlement of the relevant Warrants is conditional on any such necessary instructions being given by the Holder.

(C) *Settlement*

(a) Cash Settled Warrants

In the case of Warrants represented by a Global Warrant, the Issuer or failing the Issuer, the Guarantor, through the relevant Security Agent, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Expenses not already paid.

In the case of Swedish Warrants, payment of the Cash Settlement Amount (if any) less Expenses will be made to the persons registered as Holders in the Swedish Register (A) on the fifth business day (where the Swedish Warrants have been registered by the Swedish CSD on the basis of notional amount) or, as the case may be, (B) on the fourth business day (where the Swedish Warrants have been registered by the Swedish CSD on the basis of the number of W&C Securities) (in each case as such business day is defined by the then applicable Swedish CSD Rules) before the due date for such payment, or, in each case, (C) on such other business day falling closer to the due date for payment as then may be stipulated in the Swedish CSD Rules (such date being the "**Record Date**" for Swedish Warrants). The Swedish Security Agent will pay the Cash Settlement Amount through the Swedish CSD to each Holder appearing in the Swedish Register on the Record Date on the Settlement Date.

In the case of Finnish Warrants, payment of the Cash Settlement Amount (if any) less Expenses will be made to the persons registered as Holders in the Finnish Register on the third Business Day before the due date for such payment, or on such Business Day falling closer to the due date for payment as may be stipulated in the Euroclear Finland Rules (such date being the "**Record Date**" for Finnish Warrants). The Finnish Security Agent will pay the Cash Settlement Amount through Euroclear Finland to each Holder appearing in the Finnish Register on the Record Date on the Settlement Date.

In the case of CREST Warrants, payment of the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, will be made to the Holder's cash memorandum account as shown in the records of the Operator for value on the Settlement Date less any Expenses, such payment to be made in accordance with the rules of the Operator. The Issuer's obligations in relation to the Cash Settlement Amounts in respect of the Warrants or Units, as the case may be, will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Holder as shown in the records of the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular number of Warrants must look solely to the settlement bank or institution at which its cash memorandum account is held for his share of each such payment so made by or on behalf of the Issuer.

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

(b) **Physical Delivery Warrants**

Subject to payment of the aggregate Exercise Prices, if any, and payment of any Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement, for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice subject as provided in Condition 23(C) (*Physical Settlement*).

The Entitlement will be evidenced by the delivery of the Entitlement to the securities account with such clearing system (the "**Physical Delivery Clearing System**") or in such other manner as shall have been specified by the Holder in the relevant Exercise Note. The Issuer, Guarantor and Calculation Agent shall be under no obligation to register or procure the registration of a Holder in the register of members of the Share Company.

The Entitlement will be delivered to such securities account with such Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Exercise Notice, provided that, if, in the opinion of the Issuer, delivery of the Entitlement to the Holder in the manner specified by the Holder or through the Physical Delivery Clearing System specified by the Holder is not commercially reasonable, the Issuer shall deliver the Entitlement to the Holder through a clearing system which the Issuer determines to be commercially reasonable for such delivery and references to "Physical Delivery Clearing System" shall be deemed to be references to such clearing system selected by the Issuer. For the avoidance of doubt, the Issuer or the Guarantor will be fully discharged of any and all obligations with respect to delivery of the Entitlement by making delivery in the manner specified by the Holder in the relevant Exercise Notice.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall, in the case of Warrants represented by a Global Warrant, be made by the Principal Warrant Agent or, in the case of Warrants represented by a Euroclear/CBL Global Warrant, Euroclear or Clearstream, Luxembourg, as the case may be, in consultation with the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar or, in the case of CREST Warrants, the CREST Agent, and shall be conclusive and binding on the Issuer, the relevant Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not sent to Merrill Lynch International by the Principal Warrant Agent, immediately after being delivered or sent to Euroclear and/or Clearstream, Luxembourg, the Frankfurt Warrant Agent, the Paris Security Agent, the Registrar or the CREST Agent, as the case may be, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Warrant Agent, in the case of Warrants represented by a Euroclear/CBL Global Warrant, Euroclear or Clearstream, Luxembourg in consultation with the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar or, in the case of CREST Warrants, the CREST Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, the Frankfurt Warrant Agent or the Paris Security Agent or the CREST Agent, as the case may be, with a copy to the Principal Warrant Agent, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar and Merrill Lynch International.

If Automatic Exercise is not specified in the applicable Final Terms, any Warrants (other than CREST Warrants) with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 23(A)(a) (*American Style Warrants*), in the case of American Style Warrants, or Condition 23(A)(b) (*European Style Warrants*), in the case of European Style Warrants, shall become void.

Euroclear and/or Clearstream, Luxembourg, the Frankfurt Warrant Agent, the Paris Security Agent, or the CREST Agent, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Security Agents, Euroclear and/or Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France, Euroclear UK or the Registrar, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(E) *Automatic Exercise*

This paragraph only applies to Warrants which are not Swedish Warrants or Finnish Warrants and if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised as provided in Condition 23(A)(a) (*American Style Warrants*) or Condition 23(A)(b) (*European Style Warrants*).

In order to receive the Cash Settlement Amount, if the Warrants are Cash Settled Warrants, or the Entitlement, if the Warrants are Physical Delivery Warrants, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must: (A) in the case of Warrants represented by a Euroclear/CBL Global Warrant send a duly completed Exercise Notice to Euroclear or Clearstream, Luxembourg, as the case may be on any Business Day until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the day (the "**Cut- off Date**") falling 180 calendar days after (i) the Expiration Date, in the case of American Style Warrants, (ii) the Actual Exercise Date, in the case of European Style Warrants or (B) in the case of Warrants represented by a CBF Global Warrant, deliver a duly completed Exercise Notice to the Frankfurt Warrant Agent with a copy to Merrill Lynch International, the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., Frankfurt time on the Cut-off Date (as defined above) or (C) in the case of Warrants represented by a Euroclear France Global Warrant, deliver a duly completed Exercise Notice to the Paris Security Agent with a copy to Merrill Lynch International, the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., Paris time on the Cut-off Date (as defined above) or (D) in the case of CREST Warrants, deliver a duly completed Exercise Notice to the CREST Agent with a copy to Merrill Lynch International and the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., London time on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 24(A)(a) (*Warrants represented by a Euroclear/CBL Global Warrant*), Condition 24(A)(b) (*Warrants represented by a CBF Global Warrant*), Condition 24(A)(c) (*Warrants represented by a Euroclear France Global Warrant*) or Condition 24(A)(d) (*CREST Warrants*), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to Euroclear, Clearstream, Luxembourg, the Frankfurt Warrant Agent, the Paris Security Agent or the CREST Agent, as

the case may be, and a copy thereof delivered to Merrill Lynch International and, in the case of Euroclear/CBL Global Registered Warrants, the Registrar by the Principal Warrant Agent, is referred to in this Condition as the "**Exercise Notice Delivery Date**", provided that if the Exercise Notice is delivered to Euroclear or Clearstream, Luxembourg, the Frankfurt Warrant Agent, the Paris Security Agent or the CREST Agent, as the case may be, and a copy thereof delivered to the Principal Warrant Agent and, in the case of Euroclear/CBL Global Registered Warrants, the Registrar at or after 10.00 a.m., Brussels, Luxembourg, Frankfurt, Paris, Zurich or London time (as appropriate) on a Business Day the Exercise Notice Delivery Date shall be deemed to be the next succeeding Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be (i) in the case of Cash Settled Warrants, the fourth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery Warrants and subject to Conditions 5(B) (*Failure to Deliver due to Illiquidity*) and 5(C) (*Issuer's Option to Vary Settlement*), the fourth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Condition prior to 10.00 a.m. Brussels, Luxembourg, Frankfurt, Paris or London time (as appropriate) on the Cut-off Date, the Issuer's obligations in respect of such Warrants and the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor.

(F) *Minimum and Maximum Number of Warrants Exercisable*

(a) American Style Warrants

This paragraph (a) applies only to American Style Warrants:

- (i) The number of Warrants exercisable by any Holder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "Quota"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(b) European Style Warrants

This paragraph (b) applies only to European Style Warrants:

The number of Warrants exercisable by any Holder on any Exercise Date as determined by the Issuer must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which

purports to exercise Warrants in breach of this provision shall be void and be of no effect.

25. **Terms applicable to Certificates only**

Conditions 26 (*Definitions (Certificates)*), 27 (*Form of Certificates*), 28 (*Type and Title (Certificates)*), 29 (*Exercise Rights (Certificates)*) and 30 (*Collection Notices and Settlement (Certificates)*) apply to Certificates only.

26. **Definitions (Certificates)**

For the purposes of the Certificates:

"**Global W&C Security**" means, as the context so requires, a Global Certificate.

27. **Form of Certificates**

If the applicable Final Terms indicate that the Certificates ("**Euroclear/CBL Certificates**") are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such Series of Euroclear/CBL Certificates will on issue be constituted by either a temporary global certificate in bearer form (the "**Euroclear/CBL Temporary Global Certificate**") or a permanent global certificate in bearer form (the "**Euroclear/CBL Permanent Global Certificate**") or a global certificate in registered form (the "**Euroclear/CBL Global Registered Certificate**" and, together with the Euroclear/CBL Temporary Global Certificate and the Euroclear/CBL Permanent Global Certificate, the "**Euroclear/CBL Global Certificates**" and each a "**Euroclear/CBL Global Certificate**") as indicated in the applicable Final Terms which, in either case, will be deposited with a depositary common to Euroclear and Clearstream, Luxembourg and, in the case of Euroclear/CBL Global Registered Certificates, registered in the name of the nominee of such depositary.

If the applicable Final Terms indicate that the Certificates ("**CBF Certificates**") are to be issued into and transferred through accounts at Clearstream, Frankfurt, such Series of CBF Certificates will on issue be constituted by a permanent global certificate in bearer form (the "**CBF Global Certificate**") provided, however, that the CBF Global Certificates will be treated as in registered form for United States federal income tax purposes. The CBF Global Certificate will be delivered on or prior to the issue date of the relevant series of CBF Global Certificates to Clearstream, Frankfurt.

If the applicable Final Terms indicate that the Certificates ("**Euroclear France Certificates**") are to be issued into and transferred through accounts at Euroclear France, such Series of Euroclear France Certificates will on issue be constituted by either a temporary global certificate in bearer form (the "**Euroclear France Temporary Global Certificate**") or a permanent global certificate in bearer form (the "**Euroclear France Permanent Global Certificate**" and, together with the Euroclear France Temporary Global Certificate, the "**Euroclear France Global Certificates**" and each a "**Euroclear France Global Certificate**") as indicated in the applicable Final Terms which, in either case, will be deposited with Euroclear France.

The Euroclear/CBL Global Certificates, the CBF Global Certificates and the Euroclear France Global Certificates are referred to herein as "**Global Certificates**" and each a "**Global Certificate**".

If the applicable Final Terms indicate that the Certificates ("**Swedish Certificates**") are to be issued into and cleared through the Swedish CSD, such Series of Swedish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*).

If the applicable Final Terms indicate that the Certificates ("**Finnish Certificates**") are to be issued into and cleared through Euroclear Finland, such Series of Finnish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish

Act on the Book- Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book- Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991)).

If the applicable Final Terms indicate that the Certificates (the "**CREST Certificates**") are to be issued into and cleared through accounts at Euroclear UK, such Series of Certificates will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The Certificates are participating securities for the purposes of the Uncertificated Securities Regulations.

On and after the Exchange Date, which generally is 40 calendar days after the Euroclear/CBL Temporary Global Certificate is issued, interests in such temporary global certificate will be exchangeable (a) for a Euroclear/CBL Permanent Global Certificate or (b) for definitive Certificates in bearer form ("**Definitive Bearer Certificates**" and each a "**Definitive Bearer Certificate**"), in each case only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Certificate are not United States Persons or persons who have purchased for resale to any United States Person, as required by U.S. Treasury Regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification received) to the Principal Certificate Agent. A Euroclear/CBL Permanent Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Euroclear/CBL Permanent Global Certificate). No Definitive Bearer Certificate delivered in exchange for a Euroclear/CBL Temporary Global Certificate or a Euroclear/CBL Permanent Global Certificate, as the case may be, will, in connection with its sale during the restricted period (as such term is defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), be mailed or otherwise delivered to any location in the United States or its possessions.

On and after the Exchange Date, which generally is 40 calendar days after the Euroclear France Temporary Global Certificate is issued, interests in such temporary global certificate will be exchangeable (a) for a Euroclear France Permanent Global Certificate or (b) for Definitive Bearer Certificates, in each case only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Certificate are not United States Persons or persons who have purchased for resale to any United States Person, as required by U.S. Treasury Regulations, has been received by Euroclear France and Euroclear France has given a like certification (based on the certification received) to the Paris Security Agent. A Euroclear France Permanent Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Certificates upon not less than 60 calendar days' notice from Euroclear France (acting on the instructions of any holder of an interest in such Euroclear France Permanent Global Certificate). No Definitive Bearer Certificate delivered in exchange for a Euroclear France Temporary Global Certificate or a Euroclear France Permanent Global Certificate, as the case may be, will, in connection with its sale during the restricted period (as such term is defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), be mailed or otherwise delivered to any location in the United States or its possessions.

No Definitive Bearer Certificate, as the case may be, will, in connection with its sale during the restricted period (as such term is defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), be mailed or otherwise delivered to any location in the United States.

If the applicable Final Terms indicate that Certificates are to be issued in registered global form, then the Certificates will initially be in the form of a Euroclear/CBL Global Registered Certificate which will be exchangeable in whole, but not in part, for individual certificates "**individual certificates**":

- (a) on the expiry of such period of notice as may be specified in the applicable Final Terms; or
- (b) at any time, if so specified in the applicable Final Terms; or

- (c) if the Issuer has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Euroclear/CBL Global Registered Certificate is to be exchanged for individual certificates, the Issuer shall procure the delivery of individual certificates representing such Euroclear/CBL Global Registered Certificate within five Business Days of the delivery, by or on behalf of the registered holder of the Euroclear/CBL Global Registered Certificate to the Registrar of such information as is required to complete and deliver such individual certificates (including, without limitation, the names and addresses of the persons in whose names the individual certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Euroclear/CBL Global Registered Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Certificates scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Euroclear/CBL Global Registered Certificate; or
- (b) any of the Certificates represented by a Euroclear/CBL Global Registered Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Certificates or the date for final settlement of the Certificates has occurred and, in either case, payment in full of all amounts due has not been made to the holder of the Euroclear/CBL Global Registered Certificate in accordance with the terms of the Euroclear/CBL Global Registered Certificate on the due date for payment,

then the Euroclear/CBL Global Registered Certificate (including the obligation to deliver individual certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Euroclear/CBL Global Registered Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Euroclear/CBL Global Registered Certificate or others may have under the W&C Securities Deed of Covenant). Under the W&C Securities Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Euroclear/CBL Global Registered Certificate became void, they had been the holders of individual certificates in an aggregate principal amount equal to the principal amount of Certificates they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

28. **Type and Title (Certificates)**

(A) *Cash Settled Certificates*

If the Certificates are Swedish Certificates or Finnish Certificates, they will be Cash Settled Certificates.

(B) *Definitive Bearer Certificates*

Title to Definitive Bearer Certificates will pass by delivery and the bearer of any Definitive Bearer Certificates shall be treated by the Issuer, the Guarantor and any Security Agent as the absolute owner thereof.

(C) *Definitive Registered Certificates*

(i) *Transfer of Definitive Registered Certificates*

Transfers of Definitive Registered Certificates are effected upon (i) the surrender (at the specified office of the Registrar) of the individual certificate representing such Definitive Registered Certificates to be transferred, together with the form of transfer (which shall be available at the specified office of the Registrar) endorsed on such individual certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require, (ii) the recording of such transfer in the Register; and (iii) the issuance of a new individual certificate to the transferee.

(ii) *Part Transfer of Definitive Registered Certificates*

In the case of a transfer of part only of a holding of a Definitive Registered Certificate represented by one individual certificate, a new individual certificate shall be issued to the transferee in respect of the part transferred and a further new individual certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(D) *Delivery of New Individual Certificates*

Each new individual certificate to be issued pursuant to this Condition 28 shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the individual certificate for exchange. Delivery of the new individual certificate(s) shall be made at the specified office of the Registrar to whom delivery or surrender of such request for exchange, form of transfer, or individual certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new individual certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify.

(E) *Closed Periods in respect of Definitive Registered Certificates*

No Holder may require the transfer of a Definitive Registered Certificate to be registered:

- (i) after any such Certificate has been called for cancellation or settlement; or
- (ii) during the period of seven days ending on (and including) any Settlement Record Date or Additional Amount Payment Record Date.

(F) *Exchange Free of Charge*

Exchange and transfer of Certificates on registration, transfer, cancellation, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

29. **Exercise Rights (Certificates)**

(A) *Exercise*

Certificates shall be automatically exercised on the Actual Exercise Date. If the Certificates are Cash Settled Certificates, each such Certificate entitles its Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount. If the Certificates are Physical Delivery Certificates, each such Certificate entitles its Holder, subject to certification as to non-U.S. beneficial ownership and to the provisions of Condition 30(A) (*Collection Notices*), to receive from the Issuer on the Settlement Date the Entitlement subject to payment of any Expenses.

The Entitlement will be evidenced by the delivery of the Entitlement to the securities account with the Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Collection Notice. The Issuer, Guarantor and Calculation Agent shall be under no obligation to register or procure the registration of a Holder in the register of members of the Share Company.

The Entitlement will be delivered to such securities account with the Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Collection Notice, provided that, if, in the opinion of the Issuer, delivery of the Entitlement to the Holder in the manner specified by the Holder or through the Physical Delivery Clearing System specified by the Holder is not commercially reasonable, the Issuer shall deliver the Entitlement to the Holder through a clearing system which the Issuer determines to be commercially reasonable for such delivery and references to "Physical Delivery Clearing System" shall be deemed to be references to such clearing system selected by the Issuer. For the avoidance of doubt, the Issuer or the Guarantor will be fully discharged of any and all obligations with respect to delivery of the Entitlement by making delivery in the manner specified by the Holder in the relevant Collection Notice.

Certificates of the same Holder automatically exercised and in respect of which a Collection Notice (as defined below) has been duly given as provided in Condition 30(A) (*Collection Notices*), will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following exercise of a Share Certificate which is a Physical Delivery Certificate, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Collection Notice as referred to in Condition 30(A)(a)(1)(v) (*Euroclear CBL Certificates*), Condition 30(A)(b)(1)(iii) (*CBF Certificates*), Condition 30(A)(c)(1)(iii) (*Euroclear France Certificates*), Condition 30(A)(d)(1)(v) (*CREST Certificates*) or Condition 30(A)(e)(1)(iii) (*Definitive Registered Certificates*), as applicable.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Certificates which are automatically exercised on the Actual Exercise Date in accordance with this provision.

(B) *Prescription*

Definitive Certificates will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of additional amounts) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Security Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 12 (*Notices*).

30. **Collection Notices and Settlement (Certificates)**

(A) *Collection Notices*

(a) Euroclear/CBL Certificates

If the Certificates are Euroclear/CBL Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must send an instruction by authenticated

SWIFT message or by any other authorised communication channel, in accordance with Euroclear and/or Clearstream, Luxembourg's rules and operating procedures (a "**Collection Notice**") which includes the information set out in Schedule 8 Part 2 to the Agency Agreement (copies of which may be obtained from Euroclear, Clearstream, Luxembourg and the relevant Security Agents) to Euroclear or Clearstream, Luxembourg, as the case may be, on any Business Day up until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the Actual Exercise Date (the "**Cut-Off Date**"). Euroclear and Clearstream, Luxembourg will send a copy of any Collection Notices so received to the Principal Certificate Agent or, in the case of Registered Certificates, to the Luxembourg Certificate Agent. The Principal Certificate Agent or the Luxembourg Certificate Agent, as the case may be, will send such copies to Merrill Lynch International and, in the case of Registered Certificates, to the Registrar. In the event that a Certificate is in definitive bearer form, the relevant Collection Notice must be delivered in writing, along with the relevant Definitive Certificate in the manner provided above to the Issuer with a copy to the Principal Certificate Agent and Merrill Lynch International.

- (1) The Collection Notice shall:
 - (i) specify the series of the Certificates and the number of Certificates the subject of such Collection Notice;
 - (ii) except in the case of Definitive Certificates, specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Certificates the subject of such Collection Notice;
 - (iii) except in the case of Definitive Certificates, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Certificates the subject of such Collection Notice;
 - (iv) Include an undertaking to pay all Expenses and except in the case of Definitive Certificates, an authority to Euroclear or Clearstream, Luxembourg, as the case may be, to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;
 - (v) include such details as are required by the Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Certificate, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
 - (vi) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of

selling restrictions under the securities, commodities and other laws of the United States; and

- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Collection Notice will be different from that set out above. Copies of such information required for this Collection Notice may be obtained from Euroclear, Clearstream, Luxembourg, the Certificate Agents and, in the case of Registered Certificates, the Registrar.

(b) CBF Certificates

If the Certificates are CBF Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must transfer such Certificates to the Principal Certificate Agent and deliver or send by fax or authenticated SWIFT message (confirmed in writing) a duly completed CBF collection notice (a "**Collection Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Certificate Agents) in each case to the Principal Certificate Agent with a copy to Merrill Lynch International on any Business Day up until not later than 10.00 a.m., Frankfurt time, on the Actual Exercise Date (the "**Cut-off Date**").

- (1) The Collection Notice shall:

- (i) specify the series of the Certificates and the number of Certificates the subject of such Collection Notice;
- (ii) include an undertaking to pay all Expenses;
- (iii) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
- (iv) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (v) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from the relevant Certificate Agents.

(c) Euroclear France Certificates

If the Certificates are Euroclear France Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must transfer such Certificates to the Paris Security Agent and deliver or send by fax or authenticated SWIFT message (confirmed in writing) a duly completed Euroclear France collection notice (a "**Collection Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained the Certificate Agents) in each case to the Paris Security Agent with a copy to Merrill Lynch International and the Principal Certificate Agent on any Business Day up until not later than 10.00 a.m., Paris time, on the Exercise Date (the "**Cut-Off Date**").

In the event that a Certificate is in definitive bearer form the relevant Collection Notice must be delivered, along with the relevant Definitive Certificate in the manner provided above to the Issuer with a copy to the Paris Security Agent, Merrill Lynch International and the Principal Certificate Agent.

- (1) The Collection Notice shall:
- (i) specify the series of the Certificates and the number of Certificates the subject of such Collection Notice;
 - (ii) include an undertaking to pay all Expenses;
 - (iii) include such details as are required by Condition 29(A) (*Exercise*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
 - (iv) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (v) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from the relevant Security Agents.

(d) CREST Certificates

If the Certificates are CREST Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must deliver or send by fax or authenticated SWIFT message (confirmed in writing) to the CREST Agent a duly completed collection notice (a "**Collection Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the CREST Agent) with a copy to Merrill Lynch International on any Business Day up until not later than 10.00 a.m., London time, on the Actual Exercise Date (the "**Cut-Off Date**").

(1) The Collection Notice shall:

- (i) specify the name, address and a contact telephone number of the relevant Holder;
- (ii) specify the ISIN and the series number of the Certificates and the number of Certificates to which the Physical Delivery Confirmation Notice relates;
- (iii) specify the cash memorandum account of the Holder as shown in the records of the Operator from which the aggregate Expenses (together with any other amounts payable) in respect of such Certificates will be paid to the CREST Agent's account with the Operator against delivery of the Entitlement on the Redemption Date;
- (iv) irrevocably agree to deliver such instructions to the Operator as may be requested by the CREST Agent to give effect to the delivery and payments described in (iii) above;
- (v) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's cash memorandum account as shown in the records of the Operator, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price;
- (vi) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from the CREST Agent.

(e) Definitive Registered Certificates

If the Certificates are Definitive Registered Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must deliver an instruction in writing (a "**Collection Notice**") which includes the information set out in Schedule 8 Part 7 to the Agency Agreement (copies of which may be obtained from the Registrar) along with the relevant Definitive Registered Certificate to the Registrar on any Business Day up until not later than 10.00 a.m., Luxembourg time, on the Actual Exercise Date (the "**Cut-off Date**"). The Registrar will send a copy of any Collection Notices so received to Merrill Lynch International.

(1) The Collection Notice shall:

- (i) specify the series of the Certificates and the number of Certificates the subject of such Collection Notice;
- (ii) include an undertaking to pay all Expenses;
- (iii) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
- (iv) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (v) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Collection Notice will be different from that set out above. Copies of such information required for this Collection Notice may be obtained from the Registrar.

(f) Late Delivery and Non-delivery of Collection Notice

If a Holder so delivers a duly completed Collection Notice after the Cut-off Date, the Entitlement shall be delivered as soon as practicable after the Settlement Date, provided that if a Holder does not so deliver a duly completed Collection Notice in accordance with this Condition 30(A) (*Collection Notices*) prior to the close of business in the place of receipt on the 90th calendar day following the Cut-off Date, the Issuer's obligations in respect of such Certificates and the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor. For the avoidance of doubt, in such

circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise as a result of such Settlement Date falling after the originally designated Settlement Date and no liability in respect hereof shall attach to the Issuer or the Guarantor.

After the delivery of a Collection Notice, the relevant Holder may not transfer the Certificates to which the Collection Notice relates.

(B) *Verification of the Holder*

In the case of a Collection Notice submitted in respect of a Euroclear/CBL Certificate, upon receipt of a valid Collection Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person submitting the Collection Notice is the holder of the relevant Certificates according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Certificate Agent or, in the case of Registered Certificates, to the Registrar, the ISIN and the amount of Certificates being exercised, the account number of the exercising Holder, a confirmation of the exercising Holder's certification, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each Certificate the subject of the relevant Collection Notice. Upon receipt of such confirmation, the Principal Certificate Agent or the Luxembourg Certificate Agent, as applicable, will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Certificates the subject of the relevant Collection Notice.

In the case of a Collection Notice submitted in respect of a CBF Certificate, upon receipt of a Collection Notice and the Certificates the Principal Certificate Agent shall verify that the person delivering the Collection Notice is (or, if the Certificates have been transferred to the Principal Certificate Agent in accordance with Condition 30(A)(b) (*CBF Certificates*) above, prior to such transfer was) the Holder according to the records of Clearstream, Frankfurt. Subject thereto, the Principal Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the Entitlement of each Certificate.

In the case of a Collection Notice submitted in respect of a Euroclear France Certificate, upon receipt of a Collection Notice and the Certificates the Paris Security Agent shall verify that the person delivering the Collection Notice is (or, if the Certificates have been transferred to the Paris Security Agent in accordance with Condition 30(A)(c) (*Euroclear France Certificates*) above, prior to such transfer was) the Holder according to the records of Euroclear France. Subject thereto, the Paris Security Agent shall notify the Issuer and the Principal Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the Entitlement of each Certificate.

In the case of a CREST Certificate, upon receipt of a Collection Notice the CREST Agent shall verify that the person delivering the Collection Notice was the Holder according to the Record maintained by the CREST Agent. Subject thereto, the CREST Agent shall notify the Issuer of the ISIN and the number of Certificates and the relevant account details for the delivery of the Entitlement in respect of each Certificate being subject of the relevant Collection Notice. Upon receipt of such Collection Notice, the CREST Agent will inform the Issuer thereof.

(C) *Settlement*

(a) *Cash Settled Certificates*

For so long as the Certificates are represented by Definitive Bearer Certificates, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to an account in the relevant Settlement Currency outside the United States (in accordance with applicable U.S. Treasury Regulations) specified by the Holder, for value on the

Settlement Date less any Expenses. In order to receive the Cash Settlement Amount less any Expenses, the Holder must deliver the relevant Definitive Bearer Certificate to the Issuer.

For so long as the Certificates are represented by Definitive Registered Certificates, the Issuer, or failing the Issuer, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) of each Certificate by credit or transfer to an account in the relevant Settlement Currency specified by the Holder, or at the option of the Holder, by cheque mailed to the address of the Holder in the Register on the fifteenth calendar day before the due date for such payment (such date being the "**Settlement Record Date**" for Definitive Registered Certificates). In order to receive the Cash Settlement Amount less any Expenses, the Holder must deliver the relevant individual certificate to the Registrar.

For so long as the Certificates are represented by a Global Certificate, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System for value on the Settlement Date less any Expenses. The Issuer or the Guarantor, as applicable, will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Certificates must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

In the case of Swedish Certificates, subject as provided below, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the persons registered as the Holders in the Swedish Register (A) on the fifth business day (where the Swedish Certificates have been registered by the Swedish CSD on the basis of notional amount) or, as the case may be, (B) on the fourth business day (where the Swedish Certificates have been registered by the Swedish CSD on the basis of the number of W&C Securities) (in each case as such business day is defined by the then applicable Swedish CSD Rules) before the due date for such payment, or, in each case, (C) on such other business day falling closer to the due date for payment as then may be stipulated in the Swedish CSD Rules (such date being the "**Settlement Record Date**" for Swedish Certificates). The Swedish Security Agent will pay the Cash Settlement Amount less any Expenses through the Swedish CSD to each Holder appearing in the Swedish Register on the Settlement Record Date on the Settlement Date.

In the case of Finnish Certificates, subject as provided below, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the person registered as the Holder in the Finnish Register on (A) the third Business Day before the due date for such payment if the Finnish Certificates have been registered as warrants in the Finnish Register, (B) on the Business Day immediately preceding the due date for such payment if the Finnish Certificates have been registered as notes in the Finnish Register, or (C) such other Business Day falling closer to the due date for payment as may be stipulated in the Euroclear Finland Rules (such date being the "**Settlement Record Date**" for Finnish Certificates). The Finnish Security Agent will pay the Cash Settlement Amount less any Expenses through Euroclear Finland to each Holder appearing in the Finnish Register on the Settlement Record Date on the Settlement Date.

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

Notwithstanding the foregoing, a cheque may not be delivered to an address in, a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States by any office or agency of the Issuer, the Guarantor, the Principal Paying Agent, the Principal Certificate Agent, any Paying Agent, any Security Agent or the Registrar.

In the case of CREST Certificates, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the Holder's cash memorandum account as shown in the records of the Operator for value on the Settlement Date less any Expenses, such payment to be made in accordance with the rules of the Operator. The Issuer's obligations in relation to the Cash Settlement Amounts in respect of the Certificates will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Holder as shown in the records of the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular number of Certificates must look solely to the settlement bank or institution at which its cash memorandum account is held for his share of each such payment so made by or on behalf of the Issuer.

(b) Physical Delivery Certificates

Subject to payment of any Expenses with regard to the relevant Certificates, the Issuer shall deliver, or procure the delivery of, the Entitlement for each Certificate in respect of which a valid Collection Notice (and, in the case of Definitive Certificates, the relevant Definitive Certificate) has been delivered as provided in Condition 30(A) (*Collection Notices*) pursuant to the details specified in the Collection Notice subject as provided in Condition 5 (*General provisions relating to Physical Settlement in respect of W&C Securities*) and, in the case of CBF Certificates and Euroclear France Certificates, in respect of which the relevant Certificates have been transferred to the Principal Certificate Agent or the Paris Security Agent, as the case may be, as provided in Condition 30(A) (*Collection Notices*).

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each Certificate in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

(D) Determinations

Any determination as to whether a Collection Notice is duly completed and in proper form shall be made by the Principal Certificate Agent or, in the case of Registered Certificates, the Luxembourg Certificate Agent in consultation with, in the case of Euroclear/CBL Certificates, Euroclear or Clearstream, Luxembourg, or, in the case of Euroclear France Certificates, the Paris Security Agent, or in the case of Definitive Bearer Certificates, the Issuer, or in the case of CREST Certificates, the CREST Agent or, in the case of Definitive Registered Certificates, the Registrar and shall be conclusive and binding on the Issuer, the relevant Security Agents and the relevant Holder. Subject as set out below, any Collection Notice so determined to be incomplete or not in proper form, or which is not sent to Merrill Lynch International by the Principal Certificate Agent, the Luxembourg Certificate Agent or the Registrar, as applicable, immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Luxembourg Certificate Agent, the Paris Security Agent, the Issuer, the CREST Agent or the Registrar, as applicable, shall be null and void.

If such Collection Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Luxembourg Certificate Agent, the Paris Security Agent, the Issuer, the CREST Agent or the Registrar, as applicable, in consultation with the Principal Certificate Agent or the Luxembourg Certificate Agent, as the case may be, (in the case of Euroclear/CBL Certificates, Euroclear France Certificates, Definitive Bearer Certificates or Definitive Registered Certificates, as applicable), it shall be deemed to be a new Collection Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Luxembourg Certificate Agent, the Paris Security Agent, the Issuer, the CREST Agent or the Registrar, as applicable, and copied to the Principal Certificate Agent, or the Luxembourg Certificate Agent, as the case may be, Merrill Lynch International or the Registrar, as applicable (in the case of Euroclear/CBL Certificates and Euroclear France Certificates).

Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Luxembourg Certificate Agent, the Paris Security Agent, the Issuer, the CREST Agent or the Registrar, as applicable, shall use its best efforts promptly to notify the Holder submitting a Collection

Notice if, in consultation with the Principal Certificate Agent or the Luxembourg Certificate Agent, as the case may be, (in the case of Euroclear/CBL Certificates and Euroclear France Certificates), it has determined that such Collection Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Security Agents, Euroclear, Clearstream, Luxembourg, the Principal Certificate Agent, the Luxembourg Certificate Agent or the CREST Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

USE OF PROCEEDS OF THE W&C SECURITIES

W&C Securities

Each Issuer intends to use the net proceeds from each issue of W&C Securities issued by it for its general corporate purposes. A substantial portion of the proceeds from the issue of W&C Securities may be used to hedge market risk with respect to such W&C Securities. If in respect of any particular issue of W&C Securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

ANNEX 1

ADDITIONAL PRODUCT TERMS AND CONDITIONS

1. Interpretation

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the Cash Settled Notes and/or Physical Delivery Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the relevant Underlying Asset Conditions and the additional terms and conditions set out below (the "**Product Conditions**").

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the Cash Settled W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the relevant Underlying Asset Conditions and the Product Conditions.

In the event of any inconsistency between: (i) the Note Conditions, in the case of Notes, the W&C Securities Conditions, in the case of W&C Securities, or the relevant Underlying Asset Conditions and (ii) the Product Conditions, the Product Conditions shall prevail.

Words and expressions used in Parts 1 to 6 of this Annex but not otherwise defined therein shall have the meanings given to them in Part 7 of this Annex or the Underlying Asset Conditions. Words and expressions used but not otherwise defined in these Product Conditions or the Underlying Asset Conditions shall have the meanings given to them in the Note Conditions, in the case of Notes, or the W&C Securities Conditions, in the case of W&C Securities and the relevant Underlying Asset Conditions.

2. Rounding

- (a) Unless otherwise specified in these Product Conditions, the Note Conditions, in the case of Notes, or the W&C Securities Conditions, in the case of W&C Securities and the relevant Underlying Asset Conditions, for the purposes of any calculations referred to therein:
 - (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) or such other number of a percentage point as specified in the applicable Final Terms (with halves being rounded up);
 - (ii) subject to paragraphs (c), (d) and (e) below, all figures shall be rounded to the seventh decimal place or such other number of decimal places as specified in the applicable Final Terms (with halves being rounded up);
 - (iii) all USD amounts resulting from such calculations or that fall due and payable will be rounded to the nearest cent (with one half cent being rounded up);
 - (iv) all Japanese Yen amounts resulting from such calculations or that fall due and payable will be rounded downwards to the next lower whole Japanese Yen amount; and
 - (v) all amounts denominated in any other currency resulting from such calculations or that fall due and payable will be rounded to the nearest sub-unit of such currency (half a sub-unit being rounded upwards) and for this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (b) If any amount, value, level or price is expressed as an absolute figure and also as a percentage in the applicable Final Terms and there is any inconsistency between (a) such absolute figure, value, level or price and (b) such percentage, then the absolute figure shall prevail for the purposes of the Product Conditions, the Note Conditions, in

the case of Notes, or the W&C Securities Conditions, in the case of W&C Securities and the relevant Underlying Asset Conditions.

Part 1A

Final Redemption Amount and Entitlement Provisions for Notes

Notes will be redeemed by the Issuer on the Maturity Date in accordance with such of following provisions as are specified to be applicable in the applicable Final Terms.

3. Determination of Final Redemption Amount and/or Entitlement

(a) FRA 1

If "FRA 1" is specified to be applicable, Note Condition 6(A) (*Redemption at maturity*) shall be deleted and replaced with this Product Condition 1(a):

Unless previously redeemed or purchased and cancelled as specified in the Conditions, the Notes will be deemed to be specified to be Cash Settled Notes and/or Physical Delivery, and the Notes will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred in respect of the Index, each nominal amount of Notes equal to the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has occurred in respect of the Index, each nominal amount of Notes equal to the Calculation Amount will be redeemed by procuring the delivery of the Entitlement (subject as provided in Annex 6 – *Additional Terms and Conditions for Physical Delivery Notes*) and payment of the Cash Portion (which may be zero) to the relevant Holder on the Maturity Delivery Date, and the Notes shall be deemed to be "Fund Linked Redemption Notes" for the purposes of determining the Entitlement and any Cash Portion.

(b) Payout FRA 2

If "FRA 2" is specified to be applicable, each nominal amount of Notes equal to the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount determined in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula (and such amount will be rounded to the nearest unit (or, in the case of Japanese Yen, the nearest yen) in the relevant Specified Currency, with half a unit being rounded upwards, and for these purposes "unit" means the lowest amount of the relevant Specified Currency that is available as legal tender in the country of the Specified Currency and in the case of euro means 0.01):

$$CA \times \text{Min} \left[\text{Maximum FRA}; \text{Max} \left(\text{Minimum FRA}; \frac{\text{Final Reference Level}}{\text{Initial Level}} \right) \right]$$

(c) Payout FRA 3

If "FRA 3" is specified to be applicable, Note Condition 6(A) (*Redemption at maturity*) shall be deleted and replaced with this Product Condition 1(c):

Unless previously redeemed or purchased and cancelled as specified in the Conditions, the Notes will be deemed to be specified to be Cash Settled Notes and/or Physical Delivery Notes, and the Notes will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event (closing) has occurred to any Share in the Basket of Shares, each nominal amount of Notes equal to the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event (closing) has occurred to one or more Shares in the Basket of Shares, each nominal amount of Notes equal to the Calculation Amount will be redeemed by procuring delivery of the Entitlement on the Maturity Delivery Date (subject as provided in Annex 6 – *Additional Terms and Conditions for Physical Delivery Notes*) and payment of the Cash Portion (which may be zero) to the relevant Holder on the Maturity Date. No Residual Share Amount will be delivered.

(d) **FRA 4**

If "FRA 4" is specified to be applicable, Note Condition 6(A) (*Redemption at maturity*) shall be deleted and replaced with this Product Condition 1(d):

Unless previously redeemed or purchased and cancelled as specified in the Conditions, the Notes will be deemed to be specified to be Cash Settled Notes and/or Physical Delivery Notes, and Notes will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if the Calculation Agent determines that no Barrier Event has occurred to the Share, each nominal amount of Notes equal to the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount equal to the Calculation Amount; or
- (ii) if the Calculation Agent determines that a Barrier Event has occurred to the Share, and
 - (A) the Final Reference Price of the Share is greater than or equal to the Strike Price, each nominal amount of Notes equal to the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount equal to the Calculation Amount; or
 - (B) the Final Reference Price of the Share is less than the Strike Price, each nominal amount of Notes equal to the Calculation Amount will be redeemed by procuring the delivery of the Entitlement (subject as provided in Annex 6 – *Additional Terms and Conditions for Physical Delivery Notes*) and payment of the Cash Portion (which may be zero) to the relevant Holder on the Maturity Delivery Date. No Residual Share Amount will be delivered.

Part 1B**Cash Settlement Amount Provisions for Cash Settled W&C Securities**

The following provisions apply to W&C Securities specified to be Cash Settled W&C Securities in the applicable Final Terms or where Cash Settlement is specified in the applicable Final Terms.

1. Determination of Cash Settlement Amount

The Cash Settlement Amount shall be an amount in the Settlement Currency determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms:

(a) CSA 1

If "CSA 1" is specified as applicable, then if the Calculation Agent determines that:

- (i) the Asset Closing Value of the Worst Performing Asset on the Final Reference Date is greater than or equal to the Barrier Value of the Worst Performing Asset, the Cash Settlement Amount shall be equal to the Reference Amount; or
- (ii) the Asset Closing Value of the Worst Performing Asset on the Final Reference Date is less than the Barrier Value of the Worst Performing Asset, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \text{Asset Performance (Worst Performing)}$$

(b) CSA 2

If "CSA 2" is specified as applicable, then if the Calculation Agent determines that:

- (i) the Asset Performance of the Worst Performing Asset on the Final Reference Date is greater than or equal to the Strike Amount, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + (RA \times T \times AP)$$

- (ii) the Asset Performance of the Worst Performing Asset on the Final Reference Date is less than the Strike Amount, the Cash Settlement Amount shall be equal to the Reference Amount.

(c) CSA 3

If "CSA 3" is specified as applicable, then if the Calculation Agent determines that:

- (i) the Asset Performance of the Asset on the Final Reference Date is greater than or equal to the Strike Amount, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + (RA \times T \times AP)$$

- (ii) the Asset Performance of the Asset on the Final Reference Date is less than the Strike Amount, and:

- (A) the Final Value of the Asset is greater than or equal to the Barrier Value, the Cash Settlement Amount shall be equal to the Reference Amount.
- (B) the Final Value of the Asset is less than the Barrier Value, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \text{Asset Performance (Final)}$$
(d) **CSA 4**

If "**CSA 4**" is specified as applicable, then if the Calculation Agent determines that:

- (i) the Final Level of the Index is greater than or equal to the Trigger Level, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + (RA \times T \times AP)$$

- (ii) the Final Level of the Index is less than the Trigger Level, and:

- (A) no Barrier Event has occurred during the Observation Period, the Cash Settlement Amount shall be equal to the Reference Amount; or
- (B) a Barrier Event has occurred during the Observation Period, then:
- (1) if "**Capped**" is specified in the applicable Final Terms, the Cash Settlement Amount shall be calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Level}}{\text{Initial Level}} \right); \text{ or}$$

- (2) if "**Uncapped**" is specified in the applicable Final Terms, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \left(1 - \text{Max} \left[0; \frac{\text{Initial Level} - \text{Final Level}}{\text{Initial Level}} \right] \right)$$

(e) **CSA 5**

If "**CSA 5**" is specified as applicable, then if the Calculation Agent determines that:

- (i) no Barrier Event has occurred, the Cash Settlement Amount shall be equal to the Reference Amount; or
- (ii) a Barrier Event has occurred, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Level}}{\text{Initial Level}} \right)$$

(f) **CSA 6**

If "**CSA 6**" is specified as applicable, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + \{RA \times FX \times \text{Max}[0; P \times (BP \text{ Average} - 1)]\}$$

(g) **CSA 7**

If "**CSA 7**" is specified as applicable, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + \{RA \times \text{Max}[0; P \times (BP - 1 - OTM)]\}$$

(h) **CSA 8**

If "CSA 8" is specified as applicable, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA + \{RA \times \text{Max}[0; P \times (BP - 1 - [AAP \times N_{AAPD}])]\}$$

(i) **CSA 9**

If "CSA 9" is specified as applicable in the applicable Final Terms, then if the Calculation Agent determines that in respect of the Index:

- (i) a Barrier Put Event and a Barrier Call Event have occurred, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$IP \times \left\{ 1 - \text{Max} \left[0; \left(1 - \frac{\text{Final Level}}{\text{Initial Level}} \right) \right] - \text{Max} \left[0; \text{Min} \left[1; \left(\frac{\text{Final Level}}{\text{Initial Level}} - 1 \right) \right] \right] \right\}$$

- (ii) a Barrier Put Event has occurred but no Barrier Call Event has occurred, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$IP \times \left\{ 1 - \text{Max} \left[0; \left(1 - \frac{\text{Final Level}}{\text{Initial Level}} \right) \right] \right\}$$

- (iii) no Barrier Put Event has occurred but a Barrier Call Event has occurred, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$IP \times \left\{ 1 - \text{Max} \left[0; \text{Min} \left[1; \left(\frac{\text{Final Level}}{\text{Initial Level}} - 1 \right) \right] \right] \right\}$$

- (iv) no Barrier Put Event and no Barrier Call Event has occurred, the Cash Settlement Amount shall be an amount equal to the Issue Price.

(j) **CSA 10**

If "CSA 10" is specified as applicable in the applicable Final Terms, then if the Calculation Agent determines that:

- (i) the Final Average Level of the Index is greater than or equal to the Initial Level of the Index, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times P \times \text{Max} \left(0; \frac{\text{Final Average Level} - \text{Initial Level}}{\text{Initial Level}} \right)$$

- (ii) the Final Average Level of the Index is less than the Initial Level of the Index, and:

- (A) the Final Level of the Index is greater than or equal to the Strike Level, the Cash Settlement Amount shall be equal to the Reference Amount; or

- (B) the Final Level of the Index is less than the Strike Level, and:
- (1) a Barrier Event has occurred, the Cash Settlement Amount shall be equal to the Reference Amount;
 - (2) no Barrier Event has occurred, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times \text{Min} \left(\text{Cap}; \frac{\text{Final Average Level}}{\text{Initial Level}} \right)$$

(k) **CSA 11**

If "CSA 11" is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$IP \times \left\{ GA - \left[P \times \text{Max} \left(0; \frac{(\text{Initial Level} \times v) - \text{Final Level}}{\text{Initial Level}} \right) \right] \right\}$$

Part 2A

Automatic Early Redemption Provisions for Notes

The following provisions apply to Notes in relation to which "Automatic Early Redemption" is specified to be applicable in the applicable Final Terms.

Automatic Early Redemption

Unless the Notes are previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, then the Issuer will give notice to Noteholders in accordance with Note Condition 14 (*Notices*) and the Notes will be redeemed in whole, but not in part, on the Automatic Early Redemption Date at the Automatic Early Redemption Amount.

Part 2B

Mandatory Early Exercise Provisions for W&C Securities

1. **Application**

The following provisions apply to W&C Securities in relation to which "Mandatory Early Exercise" is specified as applicable in the applicable Final Terms.

2. **Mandatory Early Exercise**

If a Mandatory Early Exercise Event occurs, all (but not less than all) of the W&C Securities will be automatically exercised on the Mandatory Early Exercise Date. If Mandatory Early Exercise Cash Settlement is specified as applicable, notwithstanding any provision to the contrary in the Conditions (a) if the W&C Securities are not Cash Settled W&C Securities, the W&C Securities shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Mandatory Early Exercise Cash Settlement Amount, which shall be payable on the Mandatory Early Exercise Cash Settlement Date.

If the W&C Securities are automatically exercised on the Mandatory Early Exercise Date, (i) the Mandatory Early Exercise Date shall be deemed to be the Expiration Date (in the case of American Style Warrants) or the Exercise Date (in the case of European Style Warrants or Certificates), (ii) in the case of Warrants other than Swedish Warrants and Finnish Warrants, the provisions of W&C Securities Condition 24(E) (*Automatic Exercise*) shall apply, (iii) in the case of Warrants, the provisions of W&C Securities Condition 24(C) (*Settlement*) shall apply, (iv) in the case of Certificates, the provisions of W&C Securities Condition 30(C) (*Settlement*) shall apply and (v) the expressions "exercise", "due exercise" and related expressions shall be construed to apply to any W&C Securities which are automatically exercised on the Mandatory Early Exercise Date in accordance with this provision.

3. **Mandatory Early Exercise Cash Settlement Amount**

The Mandatory Early Exercise Cash Settlement Amount for each W&C Security will be an amount equal to the Reference Amount provided that if "Additional Amount (Mandatory Early Exercise)" is specified as applicable in the applicable Final Terms, the Mandatory Early Exercise Cash Settlement Amount shall be an amount equal to the Reference Amount plus the Additional Amount (Mandatory Early Exercise) (as defined in Part 7 (*Definitions*) of the Product Conditions).

Part 3A

Interest Provisions for Notes

1. Interest on Fixed Rate Notes

This Condition applies to Notes where the applicable Final Terms specify that "Fixed Rate Notes" are applicable.

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest and the amount of interest payable in respect of each Fixed Rate Note on each Fixed Interest Payment Date for: (i) each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall, shall be the Fixed Coupon Amount or (ii) any period other than the Fixed Interest Period shall be the Broken Amount, in each case, if specified in the applicable Final Terms in relation to such Fixed Interest Payment Date.

If no Fixed Coupon Amount or no Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

2. Business Day Convention

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day,

where "**Business Day**" has the meaning assigned to it in Note Condition 18 (*Business Days*), provided that if the applicable Final Terms specify "No Adjustment", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

3. **Interest on Floating Rate Notes**

This Condition applies to Notes where the applicable Final Terms specify that "Floating Rate Notes" are applicable.

The Rate of Interest in respect of Floating Rate Notes will be determined in accordance with the following provisions which are specified in the applicable Final Terms to be the manner in which the Rate of Interest is to be determined.

(a) ISDA Determination for Floating Rate Notes

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

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR or on EURIBOR, the first day of that Interest Period or (ii) if the applicable Floating Rate Option is based on a Floating Rate Option other than LIBOR or EURIBOR, such other date as specified in the applicable Final Terms.

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

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(b) Screen Rate Determination for Floating Rate Notes

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

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page at Specified Time on the applicable Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such

quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (i) above, no offered quotation appears or, in the case of clause (ii) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the interbank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be the Euro-zone inter-bank market) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be the Euro-zone inter-bank market), plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

For the purposes of this Condition:

"Dollar LIBOR" means London inter-bank offered rate for deposits in U.S. dollars.

"EURIBOR" means the Euro-zone inter-bank offered rate for deposits in euro.

"HIBOR" means the Hong Kong inter-bank offered rate for deposits in Hong Kong dollars.

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

"LIBOR" means the London inter-bank offered rate for deposits in Sterling.

"Reference Banks" means four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be the Euro-zone inter-bank market).

"Reference Rate" means the LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR or Dollar LIBOR, as specified in the applicable Final Terms and determined in accordance with this Condition.

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the applicable Final Terms or, if none is so specified, the principal financial centre with which the relevant Reference Rate is most closely connected (which, if the Specified Currency is sterling, shall be London, or if the Specified Currency is euro, shall be the Euro-zone).

"Relevant Screen Page" means the Bloomberg or Reuters screen page specified as such in the applicable Final Terms.

"SIBOR" means Singapore inter-bank offered rate for deposits in Singapore dollars.

"Specified Time" means, in respect of any Interest Determination Date and the Reference Rate specified as (i) LIBOR, 11.00 a.m. London time (ii) EURIBOR, SIBOR, TIBOR, STIBOR, HIBOR or Dollar LIBOR, 11.00 a.m. in the Relevant Financial Centre, or such other time specified as such in the applicable Final Terms.

"STIBOR" means the Stockholm inter-bank offered rate for deposits in Swedish Krona.

"TIBOR" means the Tokyo inter-bank offered rate for deposits in Japanese Yen.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph 4 of this Part 3A is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph 4 (*Interest on Underlying Asset Linked Interest Notes*) of this Part 3A is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Interest Period

Each Floating Rate Note bears interest at the Rate of Interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear in respect of each Interest Period on:

- (i) if the applicable Final Terms specifies an Interest Period is "Unadjusted", the Interest Payment Date scheduled to fall on the Scheduled Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period); or
- (ii) if the applicable Final Terms specifies an Interest Period is "Adjusted", the Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period).

4. **Interest on Underlying Asset Linked Interest Notes**

The Rate of Interest and Interest Amount in respect of Underlying Asset Linked Interest Notes will be determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms.

(a) **Interest 1**

If "**Interest 1**" is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the Index Closing Level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount A; or
- (ii) if the Calculation Agent determines the Index Closing Level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, the Specified Rate of Interest B and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount B.

(b) **Interest 2**

If "**Interest 2**" is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the Share Closing Price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount A; or
- (ii) if the Calculation Agent determines the Share Closing Price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, the Specified Rate of Interest B and, and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final

Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount B.

(c) **Interest 3**

If "**Interest 3**" is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date falling on the date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Calculation Agent determines the Share Closing Price of each Share in the Basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike for such Share, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount A; or
- (ii) if the Calculation Agent determines the Share Closing Price of any Share in the Basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike for such Share, the Specified Rate of Interest B and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with paragraph 7 (*Calculation of Interest Amounts*), unless the applicable Final Terms, specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Notes equal to the Calculation Amount shall be the Specified Interest Amount B.

(d) **Specified Interest Amount A and Specified Interest Amount B**

The Specified Interest Amount A and the Specified Interest Amount B shall be deemed to be an "Interest Amount" calculated in accordance with paragraph 7 (*Calculation of Interest Amounts*) below. If there is any inconsistency between: (i) the amount specified in the applicable Final Terms as the Specified Interest Amount A or the Specified Interest Amount B, and (ii) any amount resulting from any calculation made in accordance with paragraph 7 (*Calculation of Interest Amounts*) below, the amount specified in the applicable Final Terms as the Specified Interest Amount A and Specified Interest Amount B shall prevail.

5. **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (b) five calendar days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Note Condition 14 (*Notices*).

6. **Change of Interest Basis**

If the applicable Final Terms specify the "Change of Interest Basis" to be applicable (a) in respect of each Interest Basis A Payment Date, the Rate of Interest applicable to each Interest Period which ends on (but excludes) the Scheduled Fixed Interest Payment Date on which such Interest Basis A Payment Date is scheduled to fall shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis A, and (b) in respect of each Interest Basis B Payment Date, the Rate of Interest applicable to each Interest Period which ends on (but excludes) the Scheduled Interest Payment Date on which such Interest Basis B Payment Date is scheduled to fall shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis B.

7. **Calculation of Interest Amounts**

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Underlying Asset Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Underlying Asset Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Underlying Asset Linked Interest Notes, will calculate the Interest Amount payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes and Underlying Asset Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes and Underlying Asset Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or Underlying Asset Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In such case, the Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

8. **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Underlying Asset Linked Interest Notes are for the time being listed (by no later than the first day of each Interest Period, in the case of Floating Rate Notes) and notice thereof to be published in accordance with Note Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Underlying Asset Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Note Condition 14 (*Notices*). For the purposes of this paragraph 8, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

9. **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Part 3A of the Product Conditions, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

10. **Calculation of interest in Swedish Notes**

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions in this Part 3A shall be amended so that all periods shall consist of the period from (but excluding) the first day of the relevant period up to (and including) the last day of the relevant period.

Part 3B

Additional Amounts Provisions for W&C Securities

1. Additional Amounts

The following provisions apply to W&C Securities in relation to which "Additional Amounts" is specified as applicable in the applicable Final Terms.

1.1 Accrual of Additional Amount

Each W&C Security will cease to accrue additional amounts from and including the Additional Amount Cut-off Date or, if earlier, the date on which the W&C Securities are cancelled (the "**Cancellation Date**"), if applicable, in accordance with these Conditions unless payment of the amount and/or delivery of any Entitlement due on the Settlement Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered. as the case may be.

For the avoidance of doubt, no additional amount on the W&C Securities shall accrue beyond the Exercise Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

1.2 Payment of Additional Amounts

Certificates represented by Definitive Bearer Certificates

For so long as the Certificates are represented by Definitive Bearer Certificates, where the Certificates pay additional amounts, subject as provided below, against presentation and endorsement of the relevant Definitive Bearer Certificate, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Certificate in respect of each Additional Amount Payment Date by credit or transfer to an account in the relevant Settlement Currency outside the United States (in accordance with the applicable U.S. Treasury Regulations) specified by the Holder, for value on the relevant Additional Amount Payment Date.

Certificates represented by Definitive Registered Certificates

For so long as the Certificates are represented by Definitive Registered Certificates, where the Certificates pay additional amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Certificate in respect of each Additional Amount Payment Date by credit or transfer to an account in the relevant Settlement Currency outside the United States (in accordance with the applicable U.S. Treasury Regulations) specified by the Holder or, at the option of the Holder, by cheque mailed to the address of the Holder registered in the Register on the fifteenth calendar day before the due date for such payment (such date being the "**Additional Amount Payment Record Date**" for such Definitive Registered Certificates) for value on the relevant Additional Amount Payment Date. In order to receive the Additional Amount the Holder must deliver the relevant individual certificate to the Registrar.

Certificates represented by Global Certificate

For so long as the Certificates are represented by a Global Certificate, where the Certificates pay additional amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Certificate in respect of each Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

Warrants other than Swedish Warrants and CREST Warrants

Except in the case of Swedish Warrants and CREST Warrants, where the Warrants pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Warrant in respect of each Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

Except in the case of Swedish Securities and CREST Securities, the Issuer or the Guarantor, as applicable, will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the W&C Securities must look solely to the relevant Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

Swedish Securities

In the case of Swedish Securities, where the W&C Securities pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Swedish Security in respect of each Additional Amount Payment Date by credit or transfer to the person registered as Holder in the Swedish Register on the fifth Business Day prior to the relevant Additional Amount Payment Date (the "**Additional Amount Payment Record Date**"). The Swedish Security Agent will pay the Additional Amounts through the Swedish CSD to each Holder appearing in the Swedish Register on the Additional Amount Payment Record Date on the relevant Additional Amount Payment Date.

CREST Securities

In the case of CREST Securities, where the W&C Securities pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor, shall pay or cause to be paid by the CREST Agent the Additional Amount (if any) for each W&C Security in respect of each Additional Amount Payment Date to the Holder's cash memorandum account as shown in the records of the Operator, such payments to be made in accordance with the rules of the Operator.

Payments subject to fiscal laws

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

Notwithstanding the foregoing, a cheque may not be delivered to an address in, a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States by any office or agency of the Issuer, the Guarantor, the Principal Paying Agent, the Principal Certificate Agent, any Paying Agent or any Security Agent.

2. **Periodic Additional Amounts**

If "**Periodic Additional Amounts**" is specified as applicable in the applicable Final Terms, in respect of each W&C Security, an Additional Amount will be payable on each Additional Amount Payment Date from (and including) the Additional Amount Commencement Date at the Additional Amount Rate for each Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.

If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of calendar days from and including the most recent Additional Amount Payment Date (or, if none, the Additional Amount Commencement Date) to but excluding the relevant payment date and the Additional Amount Rate Day Count Fraction.

3. **Fixed Additional Amount**

If "**Fixed Additional Amount**" is specified as applicable in the applicable Final Terms, the Additional Amount payable in respect of each W&C Security on each Additional Amount Payment Date shall be the Specified Additional Amount specified in the applicable Final Terms or if the Specified Additional Amount is specified to be not applicable, an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times AAP$$

4. **Additional Amount Event**

If "**Additional Amount Event**" is specified as applicable in the applicable Final Terms, the Additional Amount payable in respect of each W&C Security on each Additional Amount Payment Date shall be determined in accordance with the applicable paragraph below:

(a) **Additional Cumulative Amount**

If "**Additional Cumulative Amount**" is specified as applicable in the applicable Final Terms, then if the Calculation Agent determines that:

- (i) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times (AAP + ACP) ; \text{ or}$$

- (ii) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date.

(b) **Additional Non-Cumulative Amount**

If "**Additional Non-Cumulative Amount**" is specified as applicable in the applicable Final Terms, then if the Calculation Agent determines that:

- (i) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times AAP ; \text{ or}$$

- (ii) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date.

5. **Accrual Additional Amount**

If "**Accrual Additional Amount**" is specified as applicable in the applicable Final Terms, the Additional Amount payable on an Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$AA \times \frac{n}{N}$$

Part 4

Additional Terms and Conditions for Low Exercise Price Warrants

1. Application and Interpretation

(a) Application to Share Linked W&C Securities

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant Share Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the additional terms and conditions for share linked securities (the "**Share Linked Conditions**") and the additional terms and conditions for low exercise price warrants set out below (the "**LEPW Conditions**"). In the event of any inconsistency between (i) the W&C Securities Conditions or the Share Linked Conditions and (ii) the LEPW Conditions, the LEPW Conditions shall prevail. In the event of any inconsistency between (iii) the W&C Securities Conditions, the Share Linked Conditions or the LEPW Conditions and (iv) the applicable Final Terms, the applicable Final Terms shall prevail.

(b) Application to Index Linked W&C Securities

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant Index Linked W&C Securities shall comprise the W&C Securities Conditions, the additional terms and conditions for index linked securities (the "**Index Linked Conditions**") and the LEPW Conditions. In the event of any inconsistency between (i) the W&C Securities Conditions or the Index Linked Conditions and (ii) the LEPW Conditions, the LEPW Conditions shall prevail. In the event of any inconsistency between (iii) the W&C Securities Conditions, the Index Linked Conditions or the LEPW Conditions and (iv) the applicable Final Terms, the applicable Final Terms shall prevail.

(c) Interpretation

Words and expressions used but not otherwise defined in these LEPW Conditions shall have the meanings given to them in the W&C Securities Conditions, the relevant Index Linked Conditions or the relevant Share Linked Conditions.

2. Definitions

For the purposes of these LEPW Conditions:

"**Actual Exercise Date**" has the meaning given to it in the W&C Securities Conditions.

"**Additional Amount**" means, in respect of the Share and a Relevant Cash Dividend, an amount calculated by the Calculation Agent as:

- (i) an amount equal to the difference between (a)(I) the aggregate of 100 per cent (100%) of the Relevant Cash Dividend per Share that would have been received by a Hypothetical Broker Dealer as the holder of one Share, divided by (II) the relevant Exchange Rate on or around the date on which such Relevant Cash Dividend would have been received by a Hypothetical Broker Dealer from the relevant Share Company, minus (b) any Dividend Taxes; multiplied by
- (ii) the Number of Shares per Warrant.

"**Additional Amount Payment Date**" means in respect of each Additional Amount, the fifth Business Day following the date on which the corresponding Relevant Cash Dividend would have been received, from the relevant Share Company by a Hypothetical Broker Dealer as the holder of the relevant Share or such other date(s) specified as such in the applicable Final Terms.

"Applicable Hedge Positions" means, in respect of: (i) any Share Linked W&C Securities, the number of Shares equal to the number of W&C Securities exercised on the relevant Actual Exercise Date multiplied by the Ratio, and (ii) any Index Linked W&C Securities, the Related Hedging Arrangements.

"Business Day Convention" has the meaning given to it in Part 7 (*Definitions*) of these Product Conditions.

"Cost" means, as determined by the Calculation Agent in its sole discretion, as attributed to each W&C Security, any brokerage commissions, stock exchange or clearing system charges or other similar charges that, directly or indirectly, would have been incurred by a Hypothetical Broker Dealer in connection with (i) the exercise of the W&C Securities and payments in respect thereof as if such Hypothetical Broker Dealer were the issuer of the W&C Securities; or (ii) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions or any Related Hedging Arrangements as if such Hypothetical Broker Dealer were a holder of or party to the Applicable Hedge Positions or such Related Hedging Arrangements.

"Dividend Period" means, in respect of the Share and:

- (i) American Style Warrants, the period commencing on, but excluding, the Trade Date and ending on, and including, the last day of the Exercise Period or the Actual Exercise Date (if earlier) of such Warrant; or
- (ii) European Style Warrants, the period commencing on, but excluding, the Trade Date and ending on, and including, the Exercise Date.

"Dividend Taxes" means, in respect of the Share and a Relevant Cash Dividend, any amounts that would have been withheld for or on account of tax if such cash dividend were paid to a Hypothetical Broker Dealer as the holder of one Share, and excluding any reduction of such tax that would have been available to a Hypothetical Broker Dealer pursuant to a double tax treaty or any other applicable domestic exemption, where each such tax is converted into the Settlement Currency using the relevant Exchange Rate on or around the date on which such tax is due, as determined by the Calculation Agent.

"Ex-Dividend Date" means, in respect of the Share and a Gross Cash Dividend in respect of such Share, the date that the Share commences trading ex-dividend in respect of such Gross Cash Dividend on the Exchange, as determined by the Calculation Agent.

"Exchange" in respect of: (a) Index Linked W&C Securities, has the meaning given to it in Index Linked Condition 2 (*Definitions*) or (b) Share Linked W&C Securities, has the meaning given to it in Share Linked Condition 2 (*Definitions*), provided that where "Pre-IPO Share" is specified as applicable in the applicable Final Terms, then "Exchange" means, in relation to a Share and as of any time from, and including, the Listing Date, each exchange or quotation system specified as such for such Share in the applicable Final Terms, or any other exchange or quotation system as selected by the Issuer in its absolute discretion and notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*) or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Rate" means Exchange Rate 1 or Exchange Rate 2, as specified in the applicable Final Terms.

"Exchange Rate 1" means, in respect of any relevant date, the prevailing rate of exchange on such date in the non-deliverable foreign exchange market for converting the Local Currency into the Settlement Currency (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged on a present value basis) (the **"NDF Rate"**), as quoted by a leading dealer in such non-deliverable foreign exchange market, as determined by the Calculation Agent. If no quotation of the NDF Rate is provided as requested in respect of any relevant date, the Calculation Agent shall determine

the value of the Exchange Rate 1, taking into consideration all available information as it in good faith deems relevant.

"Exchange Rate 2" means, in respect of any relevant date, an amount equal to the (a) spot rate of exchange, or (b) bid rate of exchange, or (c) mid rate of exchange, or (d) offer rate of exchange, as specified in the applicable Final Terms, appearing on the FX Price Source at or around the FX Valuation Time on such day (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged (such rate, the **"Specified Rate"**), provided that if the Specified Rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate 2, taking into consideration all available information as it in good faith deems relevant.

"Exercise Period Start Date" means the Tranche 1 Issue Date or the Listing Date as specified in the applicable Final Terms.

"EXP" means, in respect of any W&C Security, the total number of calendar days falling in the period commencing on, but excluding, the Trade Date and ending on, and including, the Actual Exercise Date for such W&C Security.

"Final Execution Period" means, in respect of any W&C Security, the period commencing on, and including, the Actual Exercise Date for such W&C Security and ending on, and including, the earliest date by which a Hypothetical Broker Dealer could acquire or dispose the entirety of its Applicable Hedge Positions in a commercially reasonable manner (such date, the **"Final Execution Date"**).

"FX Price Source" means, in respect of a Specified Rate, the price source(s) specified in the applicable Final Terms for such Specified Rate, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Gross Cash Dividend" means, in respect of the Share, each sum declared by the relevant Share Company as a dividend for one such Share before the withholding or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of such a dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon.

"Hypothetical Broker Dealer" means a hypothetical broker dealer subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as applicable to the Issuer or any of its Affiliates designated by the Issuer provided, however, that such hypothetical broker dealer is deemed not entitled to any benefit, exemption or reduction in Tax pursuant to any double tax treaty, application of netting or otherwise.

"IN" means the Issue Price as specified in the applicable Final Terms.

"Listing Date" means, in respect of a Share, the first date, as determined by the Calculation Agent, on which such Share is listed on the official list of the relevant Exchange.

"Local CGT" means, as determined by the Calculation Agent, ten per cent. of the RMB Gain, or, if different, the quotient of (a) the amount that would be payable on account of PRC Capital Gains Tax by the Hypothetical Broker Dealer in connection with the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions, provided that if, following the Trade Date and prior to the Actual Exercise Date, the relevant tax authorities in the PRC have issued written circulars, notices or guidelines to confirm that no PRC Capital Gains Tax is payable by investors like the Hypothetical Broker

Dealer in connection with the acquisition, holding or disposal of all or the relevant portion of the Applicable Hedge Positions, "Local CGT" shall be deemed to be equal to zero.

"Local CGT (Share Closing Price)" means, as determined by the Calculation Agent, ten per cent. of the RMB Gain, or, if different, the quotient of (a) the amount that would be payable on account of PRC Capital Gains Tax by the Issuer or any Affiliates in connection with the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions, provided that if, following the Trade Date and prior to the Actual Exercise Date, the relevant tax authorities in the PRC have issued written circulars, notices or guidelines to confirm that no PRC Capital Gains Tax is payable by investors like the Issuer or any Affiliate in connection with the acquisition, holding or disposal of the Applicable Hedge Positions, "Local CGT (Share Closing Price)" shall be deemed to be equal to zero.

"Local Costs" means, as determined by the Calculation Agent, the quotient of (a) any brokerage commissions, stock exchange or clearing system charges or other similar charges that would have been incurred by the Hypothetical Broker Dealer in connection with (i) the exercise of the W&C Securities and payments in respect thereof (as if the Hypothetical Broker Dealer were the issuer of the W&C Securities), and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions.

"Local Costs (Share Closing Price)" means, as determined by the Calculation Agent, the quotient of (a) any brokerage commissions, stock exchange or clearing system charges or other similar charges actually incurred by the Issuer or any of its Affiliates in connection with (i) the exercise of the W&C Securities and payments in respect thereof, and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions.

"Local Currency" means the currency specified as such in the applicable Final Terms.

"Local Taxes" means, as determined by the Calculation Agent, the quotient of (a) any transfer, registration, stamp duty or similar taxes (excluding for the avoidance of doubt any tax on income or similar taxes and Local CGT), that would have been imposed by a Taxing Authority in the PRC on a Hypothetical Broker Dealer in connection with (i) the exercise of the W&C Securities and payments in respect thereof (as if the Hypothetical Broker Dealer were the issuer of the W&C Securities), and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions.

"Local Taxes (Share Closing Price)" means, as determined by the Calculation Agent, the quotient of (a) any transfer, registration, stamp duty or similar taxes (excluding for the avoidance of doubt any tax on income or similar taxes and Local CGT (Share Closing Price)) actually incurred by the Issuer or any Affiliate or agent in connection with (i) the exercise of the W&C Securities and payments in respect thereof, and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions;

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Multiplier" means an amount specified in the applicable Final Terms, provided that if the "Multiplier" is specified as not applicable in the applicable Final Terms, then "Multiplier" shall be deemed to have a value of one (1).

"Number of Shares per Warrant" means the amount specified as such in the applicable Final Terms.

"Number of Settlement Business Days" means five Business Days or such other number of Business Days as specified in the applicable Final Terms.

"Original Scheduled Expiration Date" means the date specified in the applicable Final Terms.

"PRC" means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"PRC Capital Gains Tax" means any capital gains tax imposed, levied, collected, withheld or assessed by or within the PRC or by a Taxing Authority of or in the PRC.

"Rate" means an amount specified in the Final Terms, provided that where "Rate" is specified as "Not Applicable" in the applicable Final Terms, "Rate" shall be deemed to be equal to zero.

"Ratio" means an amount specified in the applicable Final Terms, subject to adjustment in accordance with the Share Linked Conditions.

"Record Date" means, in respect of any determination pursuant to Share Linked Condition 6(a) as amended by LEPW Condition 5, such date as determined by the Calculation Agent in its sole and absolute discretion.

"Related Exchange" in respect of: (a) Index Linked W&C Securities, has the meaning given to it in Index Linked Condition 2 (*Definitions*) or (b) Share Linked W&C Securities, has the meaning given to it in Share Linked Condition 2 (*Definitions*), provided that where "Pre-IPO Share" is specified as applicable in the applicable Final Terms, then **"Related Exchange"** means, in relation to a Share and as of any time from, and including, the Listing Date, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean in relation to such Share and as of any time from, and including, the Listing Date, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Related Hedging Arrangements" means any one or more positions or contracts in securities, options, futures, derivatives, foreign exchange or other instruments or arrangements (howsoever described) that the Calculation Agent determines, in its sole discretion, a Hypothetical Broker Dealer, directly or indirectly, could purchase, sell, maintain or enter into with or through any person in order to hedge, individually or on a portfolio basis, the W&C Securities. In making such determination, the Calculation Agent may have regard to any positions, contracts or other instruments or arrangements (howsoever described) that the Issuer or its Affiliates has entered into with any person (including the Issuer's Affiliates) in order to hedge, individually or on a portfolio basis, the obligations in respect of the W&C Securities.

"Relevant Cash Dividend" means in respect of the Share, a Gross Cash Dividend per Share as declared by the relevant Share Company where the Ex-Dividend Date falls within the Dividend Period and the full payment in cash in respect of such Gross Cash Dividend would have been made to a Hypothetical Broker Dealer as the holder of one Share within the Dividend Period, as determined by the Calculation Agent.

"Relevant Reference Price" means, the Issue Price converted into RMB by the Calculation Agent using the Exchange Rate in respect of the Trade Date (or such other date as the Calculation Agent deems relevant, in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner) or, upon the Dealer selling the W&C Securities to the Holder, the purchase price per W&C Security at the time such Holder purchased the W&C Securities from the Dealer and converted into RMB by the Calculation Agent by using the Exchange Rate as at the date on which such Holder purchases the W&C Securities from the Dealer, as determined by the Calculation Agent (or such other date as the Calculation Agent deems relevant, in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner).

"Relevant Share Price" means, where the Settlement Price specified in the applicable Final Terms is (a) "Settlement Price (Effective Price 2)", the price that would have been realised by a Hypothetical Broker Dealer, acting in a commercially reasonable manner, in acquiring or disposing of the Applicable Hedge Positions on any relevant day, or (b) "Settlement Price

(Share Closing Price)", the Share Closing Price of the Share on the Valuation Date for a W&C Security.

"**RMB**" means the Chinese Renminbi, the lawful currency of the PRC (including any lawful successor thereto).

"**RMB Gain**" means an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max}[0; (\text{Relevant Share Price} - \text{Relevant Reference Price})]$$

"**Scheduled Expiration Date**" means the Original Scheduled Expiration Date, or such later date as determined by the Issuer in its sole and absolute discretion and notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*) no later than the fifth Business Day prior to the Original Scheduled Expiration Date, provided that such later date shall not fall later than the Scheduled Expiration Cut-Off Date and, notwithstanding the foregoing, the Issuer shall have no obligation to extend the Original Scheduled Expiration Date.

"**Scheduled Expiration Cut-Off Date**" means the date specified in the applicable Final Terms.

"**Scheduled Settlement Date**" means the date specified as such in the applicable Final Terms.

"**Settlement Business Day Convention**" means the Business Day Convention specified as such in the applicable Final Terms.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms.

"**Settlement Price**" or "**STMP**" means the Settlement Price (Effective Price 1) or Settlement Price (Effective Price 2) or Settlement Price (Index Closing Level) or Settlement Price (Share Closing Price), as specified in the applicable Final Terms.

"**Settlement Price (Effective Price 1)**" means the effective price per Share determined by the Calculation Agent equal to the price that, directly or indirectly, would have been realised by a Hypothetical Broker Dealer, acting in a commercially reasonable manner, in acquiring, realizing or disposing of the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period (if the Calculation Agent determines that it would have been necessary for such Hypothetical Broker Dealer to acquire, realise or dispose of the Applicable Hedge Positions during such Final Execution Period, rather than on the Actual Exercise Date only, in order to achieve such acquisition, realisation or disposal in a commercially reasonable manner) (such day, or if more than one, each such day a "**Transaction Date**") less any Cost and Tax and converted to the Settlement Currency (i) where there is one Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), or (ii) where there is more than one Transaction Date, for each amount realised in respect of each such Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"**Settlement Price (Effective Price 2)**" means the effective price per Share determined by the Calculation Agent equal to the Relevant Share Price on the Actual Exercise Date or during the Final Execution Period (if the Calculation Agent determines that it would have been necessary for the Hypothetical Broker Dealer to acquire or dispose of the Applicable Hedge Positions during such Final Execution Period, rather than on the Actual Exercise Date only, in order to achieve such acquisition or disposal in a commercially reasonable manner) (such day, or if more than one, each such day a "**Transaction Date**") less any Local Costs, Local Taxes and Local CGT and converted to the Settlement Currency (i) where there is one Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), or (ii) where there is more than one Transaction Date, for

each amount realised in respect of each such Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Settlement Price (Index Closing Level)" means, in respect of any W&C Security, the Index Closing Level of the Index on the Valuation Date for such W&C Security less any Cost and Tax.

"Settlement Price (Share Closing Price)" means, in respect of each W&C Security and the Valuation Date for such W&C Security, the Relevant Share Price for such W&C Security less any Local Costs (Share Closing Price), Local Taxes (Share Closing Price) and Local CGT (Share Closing Price) incurred by the Issuer or any of its Affiliates in connection with the exercise of such W&C Security, and converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Strike Price" or "STXP" means the Exercise Price as specified in the applicable Final Terms.

"Tax" means, as determined by the Calculation Agent in its sole discretion, having regard to any relevant tax that the Issuer or its Affiliates could be assessed or could incur, based on professional tax advice provided to the Calculation Agent at any time, as attributed to each W&C Security, the gross amount of any tax (including any transfer, registration, stamp duty or capital gain taxes), levy, impost, duty, charge, assessment or fee of any nature (including interests, penalties and additions thereon) imposed by a Taxing Authority that a Hypothetical Broker Dealer, directly or indirectly, could be assessed or could incur at any time in connection with (a) the exercise of the W&C Securities and payments in respect thereof as if the Hypothetical Broker Dealer were the issuer of the W&C Securities; or (b) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions or any Related Hedging Arrangements as if the Hypothetical Broker Dealer were a holder of or party to the Applicable Hedge Positions or such Related Hedging Arrangements.

"Taxing Authority" means a governmental, regulatory or other authority having the power to tax.

"Trade Date" means in respect of: (a) Index Linked W&C Securities, has the meaning given to it in Index Linked Condition 2 (*Definitions*) or (b) Share Linked W&C Securities, has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Tranche 1 Issue Date" means the date specified in the applicable Final Terms (being the issue date of the first tranche of the relevant Series of W&C Securities).

"Valuation Date" means, in respect of each W&C Security, the Actual Exercise Date in respect of such W&C Security and if such day is a Disrupted Day, subject to adjustment as a "Valuation Date" in accordance with:

- (a) Index Linked Conditions in the case of Index Linked W&C Securities; or
- (b) Share Linked Conditions in the case of Share Linked W&C Securities.

3. **Cash Settlement Amount**

The Cash Settlement Amount payable on the Settlement Date in respect of each W&C Security shall be determined in accordance with the applicable paragraph below:

- (a) If "Out-performance" is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall be an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max}\left\{0; \left[(\text{STMP} - \text{STXP}) + \left(\text{Rate} \times \text{IN} \times \frac{\text{EXP}}{365} \right) \right] \right\}$$

- (b) If "Out-performance" is specified as not applicable in the applicable Final Terms, the Cash Settlement Amount shall be an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max}[0; (\text{STMP} - \text{STXP})] \times \text{Multiplier}$$

4. Additional Amounts

In respect of any Share Linked W&C Securities, unless previously exercised or purchased and cancelled, the Issuer shall pay to the Holder of each Share Linked W&C Security the Additional Amount in respect of such Share Linked W&C Security on each Additional Amount Payment Date.

5. Additional Consequences of Potential Adjustment Events

- (a) In respect of any Share Linked W&C Securities, Share Linked Condition 6 (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall apply, as amended by paragraphs 5(b) to 5(f) below.
- (b) The second paragraph of Share Linked Condition 6(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) beginning with the words "Following the declaration..." shall be deemed to be deleted and replaced with this paragraph 5(b).

Following the declaration by the relevant Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical or market value of the Share and, if so, the Calculation Agent may, in its sole and absolute discretion, take any one or more of the following actions:

- (i) (A) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the W&C Securities and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), and (B) determine the effective date(s) of such adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange; and/or
- (ii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date additional Warrants, at such cost, if any, to such Holders, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer to issue and distribute such additional Warrants; and/or
- (iii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date new warrants linked to the share capital or other securities of another company created as a result of a spin-off or other similar transaction relating to the relevant Share Company, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer and such Holders respectively to issue and hold such new warrants; and/or

- (iv) determine, subject at all times to the agreement of the Issuer, that the Issuer shall distribute a cash amount to Holders of the Warrants as of the Record Date, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect.
- (c) The last paragraph of Share Linked Condition 6(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) beginning with the words "Upon the making of..." shall be deemed to be deleted and replaced with this paragraph 5(c).

Upon making any determination under paragraph 5(b), the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with W&C Securities Condition 12 (*Notices*), giving brief details of the Potential Adjustment Event and stating the action proposed to be taken in relation thereto, and:

- (i) in respect of a determination pursuant to paragraph 5(b)(i), the adjustment to any one or more of the terms of the Terms and Conditions of the W&C Securities and/or the applicable Final Terms;
- (ii) in respect of a determination pursuant to paragraph 5(b)(ii):
 - (A) the Record Date;
 - (B) the number of additional Warrants to which the Holder of each W&C Security is entitled or the number of additional Warrants which the Holder of each W&C Security is entitled to purchase, as the case may be;
 - (C) if any subscription monies, fees and/or charges are payable, the date on or prior to which such subscription monies, fees and/or charges, as the case may be, must be paid to the Issuer by the Holder of each W&C Security in order to purchase additional Warrants, if any;
 - (D) the amount of such subscription monies, fees and/or charges payable by the Holder of each W&C Security in order to purchase additional Warrants, if any;
 - (E) the date on or prior to which the Holder of each W&C Security must notify the Principal Warrant Agent and Merrill Lynch International that it wishes to purchase any additional Warrants, if applicable; and
 - (F) the account of the Issuer with the Clearing System to be credited with the amount payable by the Holders (if any);
- (iii) in respect of a determination pursuant to paragraph 5(b)(iii), the Record Date and the number of new warrants to which the Holder of each W&C Security is entitled; and
- (iv) in respect of a determination pursuant to paragraph 5(b)(iv), the Record Date and amount payable to the Holder of each W&C Security,

provided that (y) if a combination of the consequences specified in paragraph 5(b) are determined by the Calculation Agent to apply, such notice shall state and set out the relevant information applicable to each applicable consequence, and (z) any failure to give, or the non-receipt of, such notice will not affect the validity of the Potential Adjustment Event or any action taken as a consequence of such Potential Adjustment Event.

- (d) In the case of an issue of additional Warrants to Holders pursuant to paragraph 5(b)(ii) in respect of which any subscription monies, fees and/or charges are payable, no Holder shall be entitled to receive any additional Warrants (and the Issuer shall not be obliged to issue additional Warrants to any Holder) unless:

- (i) each of the Principal Warrant Agent and Merrill Lynch International has received notice from a relevant Holder that it wishes to purchase such additional Warrants (a "**Notice of Purchase of Additional Warrants**") on or prior to the date specified in the relevant notice from the Calculation Agent pursuant to paragraph 5(c)(ii). Such Notice of Purchase of Additional Warrants shall be given by sending an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with the rules and operating procedures of, and in such manner as is acceptable to, Euroclear and/or Clearstream, Luxembourg, as the case may be (in consultation with the Principal Warrant Agent and, in the case of Euroclear/CBL Global Registered Warrants, the Registrar), and which shall include the information set out in Schedule 7 Part 9 to the Agency Agreement (copies of which may be obtained from the Principal Warrant Agent); and
- (ii) the Issuer has received payment of the subscription monies on or prior to the date specified in the relevant notice.

For the avoidance of doubt, no Holder shall be obliged to purchase any additional Warrants referred to in paragraph 5(b)(ii). However, if such additional Warrants are not purchased by the Holder of any W&C Security in accordance with the above provisions, the Issuer shall have no further obligation to such Holder to take any action in respect of the relevant Potential Adjustment Event or to pay any amounts in cash to any Holder in lieu thereof.

- (e) In respect of any Share Linked W&C Securities, where "Pre-IPO Share" is specified as applicable in the applicable Final Terms:
 - (i) and "Share Substitution" is specified as applicable in the applicable Final Terms in relation to such Share Linked W&C Securities, paragraph (b) of the definition of "Share Substitution Criteria" set out in Share Linked Condition 2 (*Definitions*) shall not apply to the Share on or prior to the Listing Date; and
 - (ii) each reference in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) to "De-Listing" shall not apply to the Share on or prior to the Listing Date.
- (f) In respect of any Share Linked W&C Securities, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 6(c)(ii)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Securities, cancel the W&C Securities by giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*). If the W&C Securities are so cancelled the Issuer shall pay in respect of each W&C Security an amount equal to the Cash Settlement Amount determined by the Issuer in accordance with the provisions set out at W&C Securities Condition 4 (*Definitions*) (as completed by the applicable Final Terms), as though the date on which such notice is deemed given in accordance with W&C Securities Condition 12 (*Notices*) was the Actual Exercise Date for the W&C Securities. The amount, manner and timing of any such payment shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*). Other than as provided in this paragraph, no Holder shall be entitled to any payment in respect of any W&C Security following such cancellation thereof, and no liability in respect thereof shall attach to the Issuer, the Guarantor or the Calculation Agent; or".
- (g) In respect of any Share Linked W&C Securities, where the applicable Final Terms specify that "Special Conditions for Potential Adjustment Events" are applicable, this paragraph 5(g) shall apply:

In the event that a Relevant Cash Dividend in respect of the Shares is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Security remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Additional Amount Payment Date, (i) pay an amount equal to the Additional Amount to the relevant Holder on the Additional Amount Payment Date; or (ii) provided that all the W&C Securities remaining outstanding are held by a single Holder, upon election by that Holder, in lieu of paying such Additional Amount to the Holder, issue an amount of further W&C Securities ("**Further Warrants**") determined by the Calculation Agent, to that Holder at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.

In the event that any Further Warrants are to be issued at an issue price, no Holder will be obliged to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Relevant Cash Dividend, as the case may be.

Upon the declaration of a Relevant Cash Dividend by the Share Company and provided that all the W&C Securities remaining outstanding are held by a single Holder, the Calculation Agent shall give notice as soon as practicable to that Holder in accordance with W&C Securities Condition 12 (*Notices*) stating the declaration of the Relevant Cash Dividend, mechanism as to how and the deadline for that Holder to elect to receive payment of Additional Amount or to subscribe for Further Warrants and other details thereof.

In the event that a stock dividend in respect of the Shares or dividend in form of Shares (a "**Relevant Stock Dividend**") is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Security remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Stock Dividend Payment Date, issue to the relevant Holder an amount of further W&C Securities equal to the relevant number of additional Shares which would have been received by the Hypothetical Broker Dealer as holder of the Shares as dividend, less any applicable Local Dividend Tax (which shall be calculated and deducted in such manner as the Calculation Agent may determine in its sole discretion). The issue price for such further W&C Securities shall be determined in the sole discretion of the Calculation Agent acting in good faith. Any applicable commissions, Local Taxes and Local CGT will be deducted from the proceeds from the disposal or realisation of the hedge position for such further W&C Securities in the manner as set out in the definition of "Settlement Price (Effective Price 2)" above.

For the avoidance of doubt, the Issuer's obligation to pay any such Additional Amount or issue further W&C Securities shall be discharged in full by it making such payment or issuing such further W&C Securities (as the case may be) to Euroclear or (as the case may be) Clearstream, Luxembourg, and neither the Issuer and the Guarantor shall be liable to any Holder in respect of any failure on the part of Euroclear or (as the case may be) Clearstream, Luxembourg to forward or account for such amount or further W&C Securities to such Holder.

For the purposes of this paragraph 5(g):

"**Local Dividend Tax**" means, in relation to any dividend per Share, ten per cent. (10%) of such dividend, or, if different, the amounts which would have been deductible from, or payable by, the Hypothetical Broker Dealer as the holder of the Shares in respect of such dividend, on account of any taxes on such dividend which would have been imposed by the PRC or applicable taxing authorities thereof on the Hypothetical Broker Dealer as the holder of such Shares, provided that, if, following the Trade Date and prior to the related ex-dividend date, the PRC or applicable taxing authorities thereof have issued written circulars/notices/guidelines to confirm that no such tax

would have been deductible from, or payable by, investors including the Hypothetical Broker Dealer, then Local Dividend Tax shall be zero.

"Stock Dividend Payment Date" means, in relation to any Relevant Stock Dividend, five Business Days following the date the Relevant Stock Dividend would have been received by Hypothetical Broker Dealer who would have been entitled to receive it or such earlier date at the sole discretion of the Calculation Agent.

6. Additional Disruption Events

- (a) If the applicable Final Terms specify "Change in Law Amendment" is applicable, the definition of "Change in Law" in Index Linked Condition 6(a) (*Additional Disruption Events*) and Share Linked Condition 8(a) (*Additional Disruption Events*) (as applicable) shall be deemed to be deleted and replaced with the following:

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the proposal or adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a Taxing Authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become, or there is a reasonable likelihood that it may or will become, illegal for the Issuer and/or any of its Affiliates or agents to hold, acquire or dispose of the Applicable Hedge Positions or any Related Hedging Arrangements or (B) the Issuer and/or any of its Affiliates or agents has incurred or suffered, or there is a reasonable likelihood that it may or will incur or suffer, a materially increased cost in performing its obligations in relation to the W&C Securities (including, without limitation, due to any proposed or actual increase in tax liability, decrease in tax benefit or other potential or actual adverse effect on the tax position of the Issuer and/or any of its Affiliates or agents), a material penalty, injunction, non-financial burden, reputational harm or other material adverse consequence in connection with the holding, acquiring, establishing, re-establishing, maintaining, unwinding or disposing of the Applicable Hedge Positions or any Related Hedging Arrangements.

- (b) In respect of any Share Linked W&C Securities, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 8(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Securities, give notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*) and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to a Hypothetical Broker Dealer, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*)."

- (c) In respect of any Share Linked W&C Securities, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Share Closing Price)", Share Linked Condition 8(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Securities, give notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*) and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of

each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer or its Affiliates, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*)."

7. Deduction of Cost and Taxes

If the applicable Final Terms specify "Deduction of Cost and Taxes" is applicable, all and any payments (other than any Additional Amount) made by the Issuer in respect of the W&C Securities (including, without limitation, any payment made by the Issuer upon redemption of the W&C Securities) shall be made subject to (and after) deductions to account for all and any applicable Cost and Tax. Unless the applicable Final Terms specify the "Exchange Rate" to be not applicable, any amounts of Cost and Tax will be converted to the Settlement Currency at the Exchange Rate by the Calculation Agent as it deems necessary.

8. Exercise Period

In the case of American Style Warrants, the Exercise Period in respect of each Warrant shall commence on, and include, the Exercise Period Start Date and end on, and include, the Scheduled Expiration Date, or if the Scheduled Expiration Date is not an Exercise Business Day, the immediately succeeding Exercise Business Day, provided that where the Exercise Period Start Date specified in the applicable Final Terms is the Listing Date, if the Listing Date does not occur on or before the Scheduled Expiration Date, the Exercise Period shall be deemed to end on the Scheduled Expiration Date.

9. Settlement Date

The Settlement Date in relation to each W&C Security will be determined as follows:

- (a) where the Settlement Price specified in the applicable Final Terms is the Settlement Price (Effective Price 1) or the Settlement Price (Effective Price 2), the Settlement Date will be the Number of Settlement Business Days following the later of (i) the Actual Exercise Date for such W&C Security; and (ii) the Final Execution Date; or
- (b) where the Settlement Price specified in the applicable Final Terms is the Settlement Price (Share Closing Price) or the Settlement Price (Index Closing Level), the Settlement Date will be the Number of Settlement Business Days following the Valuation Date for such W&C Security.

The Settlement Date in respect of each W&C Security exercised or deemed to be exercised on the Scheduled Expiration Date is expected as at the date of the applicable Final Terms to be the Scheduled Settlement Date, and where the applicable Final Terms specifies "Scheduled Settlement Date is Business Day Adjusted", then if the Scheduled Settlement Date is not a Business Day, the Scheduled Settlement Date shall be adjusted in accordance with the Settlement Business Day Convention specified in the applicable Final Terms and subject to any further adjustment in accordance with W&C Securities Condition 6(A) (*General Provisions*).

For the avoidance of doubt, the definition of "Settlement Date" in Part 7 (*Definitions*) of the Product Conditions shall not apply.

Part 5

Additional Terms and Conditions for Fund Linked Target Volatility W&C Securities

1. Application and Interpretation

(a) Application to Fund Linked W&C Securities

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant Fund Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the additional terms and conditions for fund linked securities (the "**Fund Linked Conditions**") and the additional terms and conditions for target volatility W&C Securities set out below (the "**Target Volatility Conditions**"). In the event of any inconsistency between (i) the W&C Securities Conditions or the Fund Linked Conditions and (ii) the Target Volatility Conditions, the Target Volatility Conditions shall prevail. In the event of any inconsistency between (iii) the W&C Securities Conditions, the Fund Linked Conditions or the Target Volatility Conditions and (iv) the applicable Final Terms, the applicable Final Terms shall prevail.

(b) Interpretation

Words and expressions used but not otherwise defined in these Target Volatility Conditions shall have the meanings given to them in the W&C Securities Conditions or the relevant Fund Linked Conditions.

2. Cash Settlement Amount

The Cash Settlement Amount payable on the Settlement Date in respect of each W&C Security shall be an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$FSA + \left\{ RA \times P \times FX \times \text{Max} \left[\left(\frac{BSK_{\text{Final}}}{BSK_0} - 1 \right); 0 \right] \right\}$$

3. Additional Amounts

If "**Target Volatility Linked Additional Amounts**" is specified as applicable in the applicable Final Terms, then if the Calculation Agent determines that:

- (a) the Volatility Controlled Basket Performance in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date is less than zero, no Additional Amount shall be payable on such Additional Amount Payment Date; or
- (b) the Volatility Controlled Basket Performance in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date is greater than or equal to zero, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times AAP(TV) \times FX(AA)$$

4. Definitions

For the purposes of these Target Volatility Conditions:

"AAP (TV)" means "**Additional Amount Percentage (Target Volatility)**", being a percentage amount, expressed for the purposes of calculation as a decimal, which shall be (i) specified in the applicable Final Terms, or (ii) determined by the Calculation Agent in its sole

and absolute discretion on or around the Strike Date and, if specified in the applicable Final Terms, is expected to be such amount as may be specified in the applicable Final Terms but shall not be more than and/or less than any percentage amount(s) as may be specified in the applicable Final Terms.

"Additional Amount Payment Date" means each date specified as such in the applicable Final Terms.

"Additional Amount Reference Date" means each date specified as such in the applicable Final Terms (each such date being, a **"Scheduled Additional Amount Reference Date"**) or, if, in respect of W&C Securities that relate to:

- (i) a single Fund, a Scheduled Additional Amount Reference Date is not a Scheduled Fund Redemption Valuation Date, the Additional Amount Reference Date corresponding to such Scheduled Additional Amount Reference Date shall be the earlier to occur of (a) the Scheduled Fund Redemption Valuation Date immediately following such Scheduled Additional Amount Reference Date, and (b) the second Business Day prior to the Additional Amount Payment Date immediately following such Scheduled Additional Amount Reference Date (and, if such Additional Amount Reference Date falls on such second Business Day prior to such Additional Amount Payment Date following such adjustment, then such second Business Day shall be deemed to be a Scheduled Fund Redemption Valuation Date for the Fund for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))); or
- (ii) a Basket of Funds, a Scheduled Additional Amount Reference Date is not a Common Scheduled Fund Redemption Valuation Date, the Additional Amount Reference Date corresponding to such Scheduled Additional Amount Reference Date shall be the earlier to occur of (a) the Common Scheduled Fund Redemption Valuation Date immediately following the Scheduled Additional Amount Reference Date, and (b) the second Business Day prior to the Additional Amount Payment Date immediately following such Scheduled Additional Amount Reference Date (and, if such Additional Amount Reference Date falls on such second Business Day prior to such Additional Amount Payment Date following such adjustment, then such second Business Day shall be deemed to be a Scheduled Fund Redemption Valuation Date for each Fund in the Basket of Funds for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*))(and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))).

"AF" means **"Adjustment Factor"**, being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms.

"Allocation" means, in respect of:

- (i) the Strike Date, the Target Allocation for the immediately preceding Scheduled Fund Redemption Valuation Date or Common Scheduled Fund Redemption Valuation Date (as applicable);
- (ii) the Initial Valuation Date, the Target Allocation for the Strike Date; and
- (iii) each Valuation Date "t" other than the Initial Valuation Date, the Target Allocation for the immediately preceding Valuation Date.

"A_{t-1}" means, in respect of (i) each Valuation Date "t" other than the Initial Valuation Date, the Allocation in respect of the immediately preceding Valuation Date; and (ii) the Initial Valuation Date, the Allocation in respect of the Strike Date.

"Aggregate Fund Performance" means, in respect of W&C Securities that relate to a Basket of Funds and each Common Scheduled Fund Redemption Valuation Date, the product of (i) the Initial Basket Value, multiplied by (ii) the sum of the Weighted Performance of each of the Funds comprising the Basket of Funds for such Common Scheduled Fund Redemption Valuation Date, as determined by the Calculation Agent.

"Base Currency" means the currency specified as such in the applicable Final Terms.

"BSK_{Final}" means **"Final Basket Value"**, being the arithmetic mean of the Basket Value_t on each of the Fund Basket Averaging Dates, as determined by the Calculation Agent.

"BSK_t" means **"Basket Value_t"**, being, in respect of:

- (i) any Valuation Date "t", an amount determined by the Calculation Agent on such Valuation Date in accordance with the following formula:

$$BSK_{t-1} \times \text{Max} \left\{ \left[1 + A_{t-1} \times \left(\frac{F_t}{F_{t-1}} - 1 \right) + (1 - A_{t-1}) \times R_{t-1} \times \frac{DC}{NDP} - AF \times \frac{DC}{NDP} \right]; 0 \right\};$$

and

- (ii) the Strike Date, the Initial Basket Value.

"BSK_{t-1}" means, in respect of (i) any Valuation Date "t", other than the Initial Valuation Date, the Basket Value_t for the immediately preceding Valuation Date, and (ii) the Initial Valuation Date, the Initial Basket Value.

"Common Scheduled Fund Redemption Valuation Date" means, in respect of W&C Securities that relate to a Basket of Funds, each day which is a Scheduled Fund Redemption Valuation Date (as defined in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*)) for all the Fund Interests in such Basket of Funds.

"Common Scheduled Fund Redemption Valuation Date "t"" means a relevant Common Scheduled Fund Redemption Valuation Date.

"DC" means **"Day Count"**, being (i) in respect of any Valuation Date "t" other than the Initial Valuation Date, the actual number of calendar days from, but excluding, the immediately preceding Valuation Date to, and including, such Valuation Date "t"; and (ii) in respect of the Initial Valuation Date, the actual number of calendar days from, but excluding, the Strike Date to, and including, the Initial Valuation Date.

"Designated Maturity" means, in respect of a Reference Rate, the period of time specified as such in the applicable Final Terms.

"Exchange Rate" means, in relation to each W&C Security:

- (a) where "Currency Price" is specified as applicable in the applicable Final Terms, in respect of any relevant day and each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), provided that if the FX Specified Price is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant; or
- (b) where "Derived Exchange Rate" is specified as applicable in the applicable Final Terms, in respect of any relevant day and each Subject Currency, an amount equal to the spot rate of exchange for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), calculated by the Calculation

Agent as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day (and the amount resulting from such calculation will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards).

"Exchange Rate Additional Amount Valuation Date" means, in respect of the Exchange Rate and an Additional Amount Reference Date, the first FX Business Day following such Additional Amount Reference Date (provided that, if such first following FX Business Day falls after the second Business Day prior to the Additional Amount Payment Date immediately following the Scheduled Additional Amount Reference Date corresponding to such Additional Amount Reference Date, then such Exchange Rate Additional Amount Valuation Date shall be such second Business Day and the Calculation Agent shall determine the value of the Exchange Rate for such day, taking into consideration all available information as it in good faith deems relevant).

"Exchange Rate Strike Date" means, in respect of an Exchange Rate, the Strike Date or such other date specified as such in the applicable Final Terms, or if such day is not an FX Business Day, the first FX Business Day after such date.

"Exchange Rate Valuation Date" means, in respect of the Exchange Rate, the first FX Business Day following the Final Valuation Date following any adjustment to the Final Valuation Date in accordance with the Fund Linked Conditions and the Product Conditions (provided that, if such first following the FX Business Day falls after the second Business Day prior to the Settlement Date, then the Exchange Rate Valuation Date shall be such second Business Day irrespective of whether such day is an FX Business Day and the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant).

"Final Valuation Date" means the date specified as such in the applicable Final Terms (being, the **"Scheduled Final Valuation Date"**) or, if, in respect of W&C Securities that relate to:

- (i) a single Fund, the Scheduled Final Valuation Date is not a Scheduled Fund Redemption Valuation Date, the Final Valuation Date shall be the earlier to occur of (a) the Scheduled Fund Redemption Valuation Date immediately following the Scheduled Final Valuation Date, and (b) the second Business Day prior to the Settlement Date (and, if the Final Valuation Date falls on such second Business Day prior to the Settlement Date following such adjustment, then such second Business Day shall be deemed to be a Scheduled Fund Redemption Valuation Date for the Fund for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))); or
- (ii) a Basket of Funds, the Scheduled Final Valuation Date is not a Common Scheduled Fund Redemption Valuation Date, the Final Valuation Date shall be the earlier to occur of (a) the Common Scheduled Fund Redemption Valuation Date immediately following the Scheduled Final Valuation Date, and (b) the second Business Day prior to the Settlement Date (and, if the Final Valuation Date falls on such second Business Day prior to the Settlement Date following such adjustment, then such second Business Day shall be deemed to be a Scheduled Fund Redemption Valuation Date for each Fund in the Basket of Funds for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))).

"FSA" means **"Fixed Settlement Amount"**, being an amount specified as such in the applicable Final Terms, provided that where **"Fixed Settlement Amount"** is specified as **"Not Applicable"** in the applicable Final Terms, **"Fixed Settlement Amount"** shall be deemed to be zero.

" F_t " means, in respect of any Valuation Date " t " and W&C Securities that relate to:

- (i) a single Fund, the Fund Performance in respect of such Valuation Date, as determined by the Calculation Agent; or
- (ii) a Basket of Funds, the Aggregate Fund Performance in respect of such Valuation Date, as determined by the Calculation Agent.

" F_{t-1} " means, in respect of:

- (i) any Valuation Date " t " other than the Initial Valuation Date and W&C Securities that relate to:
 - (a) a single Fund, the Fund Performance for the immediately preceding Valuation Date; or
 - (b) a Basket of Funds, the Aggregate Fund Performance for the immediately preceding Valuation Date; and
- (ii) the Initial Valuation Date, the Initial Basket Value.

" F_{t-i} " means, in respect of each Valuation Date " t " or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of " i ", and W&C Securities that relate to:

- (i) a single Fund, the Fund Performance in respect of the day falling " i " Scheduled Fund Redemption Valuation Dates prior to such Relevant Date; or
- (ii) a Basket of Funds, the Aggregate Fund Performance in respect of the day falling " i " Common Scheduled Fund Redemption Valuation Dates prior to such Relevant Date.

" F_{t-i-1} " means, in respect of each Valuation Date " t " or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of " i ", and W&C Securities that relate to:

- (i) a single Fund, the Fund Performance in respect of the Scheduled Fund Redemption Valuation Date immediately preceding the day falling " i " Scheduled Fund Redemption Valuation Dates prior to such Relevant Date; or
- (ii) a Basket of Funds, the Aggregate Fund Performance in respect of the Common Scheduled Fund Redemption Valuation Date immediately preceding the day falling " i " Common Scheduled Fund Redemption Valuation Dates prior to such Relevant Date.

"**Fund "j"**" means each Fund in the Basket of Funds.

"**Fund Basket Averaging Date**" means (i) each date specified as such in the applicable Final Terms and (ii) the Final Valuation Date (each such date, other than the Final Valuation Date, being a "**Scheduled Fund Basket Averaging Date**"), provided that, if any Scheduled Fund Basket Averaging Date is not a Valuation Date, then the corresponding Fund Basket Averaging Date shall be the Valuation Date immediately following such Scheduled Fund Basket Averaging Date (collectively, the "**Fund Basket Averaging Dates**").

"**Fund Performance**" means, in respect of W&C Securities that relate to a single Fund, each Scheduled Fund Redemption Valuation Date and the Fund, an amount determined by the Calculation Agent in accordance with the following formula:

$$BSK_0 \times \frac{NAV_t}{NAV_0}$$

"**FX**" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial.

"**FX(AA)**" means, in respect of an Additional Amount Payment Date, an amount determined by the Calculation Agent to be equal to the quotient of (i) the Exchange Rate on the Exchange

Rate Additional Amount Valuation Date immediately preceding such Additional Amount Payment Date, divided by (ii) the FX Initial.

"FX Business Day" means, in respect of the Exchange Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres for such Exchange Rate, as specified in the applicable Final Terms.

"FX Final" means the Exchange Rate on the Exchange Rate Valuation Date.

"FX Initial" means the Exchange Rate on the Exchange Rate Strike Date.

"FX Price Source" means, in respect of the Exchange Rate, the price source(s) specified in the applicable Final Terms for such Exchange Rate, or if the relevant rate is not published or announced by such price source(s) at such relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Specified Price" means, in respect of the Exchange Rate, any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange; (b) the bid rate of exchange; or (c) the mid rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Initial Aggregate Fund Performance" means, in respect of W&C Securities that relate to a Basket of Funds, the amount specified as such in the applicable Final Terms (which amount shall be deemed to be the Aggregate Fund Performance in respect of the Strike Date).

"Initial Basket Value" means **"BSK₀"**, being the amount specified as such in the applicable Final Terms (being the Basket Value_t on the Strike Date, as determined by the Calculation Agent).

"Initial Valuation Date" means, in respect of W&C Securities that relate to:

- (i) a single Fund, the first Scheduled Fund Redemption Valuation Date following the Strike Date; or
- (ii) a Basket of Funds, the first Common Scheduled Fund Redemption Valuation Date following the Strike Date.

"ln" means the natural logarithm.

"M" means an amount specified as such in the applicable Final Terms.

"Max" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min", followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"NAV_{j,t}" means, in respect of W&C Securities that relate to a Basket of Funds, each Common Scheduled Fund Redemption Valuation Date "t" and each Fund "j" in the Basket of Funds, the Relevant Price of the Fund Interests of such Fund "j" on such day, as determined by the Calculation Agent.

"NAV_{j,0}" means, in respect of W&C Securities that relate to a Basket of Funds and each Fund "j" in the Basket of Funds, the Relevant Price of the Fund Interests of such Fund on the Strike Date, as determined by the Calculation Agent.

"NAV_t" means, in respect of W&C Securities that relate to a single Fund, each Scheduled Fund Redemption Valuation Date "t" and the Fund, the Relevant Price of the Fund Interests of the Fund on such Scheduled Fund Redemption Valuation Date "t", as determined by the Calculation Agent.

"NAV₀" means, in respect of W&C Securities that relate to a single Fund, the Relevant Price of the Fund Interests of the Fund on the Strike Date, as determined by the Calculation Agent.

"NDP" means "**Number of Days in the Period**", being an amount specified in the applicable Final Terms.

"P" means "**Participation**", being an amount which shall be (i) specified in the applicable Final Terms, or (ii) determined by the Calculation Agent in its sole and absolute discretion on or around the Strike Date and, if specified in the applicable Final Terms, is expected to be such amount as may be specified in the applicable Final Terms but shall not be more than and/or less than any percentage amount(s) as may be specified in the applicable Final Terms.

"RA" means "**Reference Amount**" being an amount specified in the applicable Final Terms.

"Rate" means, in respect of any relevant day ("**Relevant Day**"), a rate equal to the Reference Rate for the Relevant Day which appears on the Relevant Screen Page at or around the Relevant Time (or, if the Relevant Time is specified to be not applicable in the applicable Final Terms, the Reference Rate which appears on the Relevant Screen Page for the Relevant Day) on the applicable Rate Determination Day, as determined by the Calculation Agent, provided that where "Rate" is specified as "Not Applicable" in the applicable Final Terms, "Rate" shall be deemed to be equal to zero. If such Reference Rate does not appear on the Relevant Screen Page at or around the Relevant Time on such Rate Determination Day, the Calculation Agent will determine the Rate for such Relevant Day acting in good faith and in a commercially reasonable manner. "**Rate Determination Day**" means, in respect of the Rate for a Relevant Day, such Relevant Day, or, if specified in the applicable Final Terms, such number of Rate Business Days prior to such Relevant Day as specified in the applicable Final Terms.

"**Rate Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Rate Financial Centres as specified in the applicable Final Terms.

"**Rate Financial Centres**" means the financial centre(s) specified in the applicable Final Terms, provided that if the Rate Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Rate Business Day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"**RC/BC Price Source**" means, in respect of a Reference Currency/Base Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Base Currency Price, or if the relevant rate is not published or announced by such RC/BC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**RC/BC Valuation Time**" means such time in such place specified as such in the applicable Final Terms.

"**RC/SC Price Source**" means, in respect of a Reference Currency/Subject Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Subject Currency Price, or if the relevant rate is not published or announced by such RC/SC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**RC/SC Valuation Time**" means such time in such place specified as such in the applicable Final Terms.

"Realised Volatility_t" means, in respect of each Scheduled Fund Redemption Valuation Date or Common Scheduled Fund Redemption Valuation Date (as applicable), an amount determined by the Calculation Agent in accordance with the following formula:

$$\sqrt{\frac{Y}{M} \times \sum_{i=0}^{(M-1)} \left(\ln \left(\frac{F_{t-i}}{F_{t-i-1}} \right) - \frac{1}{M} \times \sum_{i=0}^{(M-1)} \ln \left(\frac{F_{t-i}}{F_{t-i-1}} \right) \right)^2}$$

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Reference Currency/Base Currency Price" means, in respect of each Base Currency, an amount equal to the spot rate of exchange appearing on the RC/BC Price Source at the RC/BC Valuation Time on the relevant day for the exchange of such Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/BC Price Source at the RC/BC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Base Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Currency/Subject Currency Price" means, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the RC/SC Price Source at the RC/SC Valuation Time on the relevant day for the exchange of such Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/SC Price Source at the RC/SC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Subject Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Rate" means the LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR or Dollar LIBOR (each as defined in Part 3A of Annex 1 – *Additional Product Terms and Conditions*) for a period of the Designated Maturity as specified in the applicable Final Terms, provided that if Designated Maturity is specified to be not applicable, the Reference Rate means the overnight rate of the LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR or Dollar LIBOR as specified in the applicable Final Terms.

"Relevant Screen Page" means the screen page specified in the applicable Final Terms (or any successor or replacement page to such page, as determined by the Calculation Agent).

"Relevant Price" means, in respect of the Fund Interests of the Fund or the Fund Interests of a Fund in the Basket of Funds (as applicable) and any day, the net asset value per Fund Interest reported by the Fund Service Provider in respect of such Fund in respect of such day, subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*).

"Relevant Time" means such time in such place as specified as such in the applicable Final Terms.

"R_{t-1}" means, in respect of (i) any Valuation Date "t" other than the Initial Valuation Date, the Rate for the immediately preceding Valuation Date; and (ii) the Initial Valuation Date, the Rate for the Strike Date.

"Scheduled Fund Redemption Valuation Date "t"" means a relevant Scheduled Fund Redemption Valuation Date.

"Specified Financial Centres" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the

Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"Strike Date" means the date specified as such in the applicable Final Terms, or, if, in respect of W&C Securities that relate to:

- (i) a single Fund, such date is not a Scheduled Fund Redemption Valuation Date, the Strike Date shall be the next following Scheduled Fund Redemption Valuation Date; or
- (ii) a Basket of Funds, such date is not a Common Scheduled Fund Redemption Valuation Date, the Strike Date shall be the next following Common Scheduled Fund Redemption Valuation Date.

"Subject Currency" means the currency specified as such in the applicable Final Terms.

"TA(Max)" means **"Maximum Target Allocation"**, being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms.

"TA(Min)" means **"Minimum Target Allocation"**, being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms, provided that if the Minimum Target Allocation is specified to be not applicable, the Minimum Target Allocation shall be deemed to be zero.

"TA_t" means **"Target Allocation"**, being in respect of the Initial Valuation Date and any Valuation Date "t", an amount calculated by the Calculation Agent on such Valuation Date in accordance with the following formula:

$$\text{Max} \left[\text{TA(Min)}; \text{Min} \left(\text{TA(Max)}; \frac{\text{Target Volatility}}{\text{Realised Volatility}_t} \right) \right]$$

"Target Volatility" means a percentage amount, expressed as a decimal for the purposes of calculation, specified in the applicable Final Terms.

"Valuation Dates" means, in respect of W&C Securities that relate to:

- (i) a single Fund, each of (a) each Scheduled Fund Redemption Valuation Date falling in the period commencing on, and including, the Initial Valuation Date and ending on, but excluding, the Final Valuation Date, (b) each Additional Amount Reference Date (if any), and (c) the Final Valuation Date; or
- (ii) a Basket of Funds, each of (a) each Common Scheduled Fund Redemption Valuation Date falling in the period commencing on, and including, the Initial Valuation Date and ending on, but excluding, the Final Valuation Date, (b) each Additional Amount Reference Date (if any), and (c) the Final Valuation Date.

The definition of "Valuation Date" in Fund Linked Condition 1 (*General Definitions*) shall not apply.

"Valuation Date "t" means each Valuation Date falling on or after the Initial Valuation Date.

"Volatility Controlled Basket Performance" means, in respect of an Additional Amount Reference Date, an amount determined by the Calculation Agent as being equal to the Basket Value_t on the Valuation Date falling on such Additional Amount Reference Date, minus the Initial Basket Value.

"Weighted Performance" means, in respect of W&C Securities that relate to a Basket of Funds, each Common Scheduled Fund Redemption Valuation Date and each Fund in the Basket of Funds, an amount determined by the Calculation Agent in accordance with the following formula:

$$W_j \times \frac{NAV_{j,t}}{NAV_{j,0}}$$

"**W_j**" means, in respect of each Fund "j" in the Basket of Funds, a percentage amount, expressed for the purposes of calculation as a decimal, specified in the applicable Final Terms as being the Weight in respect of such Fund "j".

"**Y**" means an amount specified as such in the applicable Final Terms.

5. Fund Events

Fund Linked Condition 4 (*Fund Events*) shall be applicable to the W&C Securities, provided that sub-paragraph (ii) of Fund Linked Condition 4(b) (*Fund Events*) shall be deemed to be deleted and replaced with the following paragraph:

"(ii) Fund Settlement Disruption: "**Fund Settlement Disruption**" means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest (i) scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of the Fund Interest), (ii) reasonably determined by the Calculation Agent to be so scheduled, and/or (iii) on or prior to the second Business Day falling before the day on which any payment determined by reference to the net asset value of the Fund Interest corresponding to such fund redemption proceeds may have to be made under the W&C Securities."

Part 6

Exchange Rate

The following provisions apply to Securities in relation to which "Exchange Rate" is specified to be applicable in the applicable Final Terms.

1. Corrections to Published and Displayed Rates

Where the applicable Final Terms specifies that "Corrections to Published and Displayed Rates" is applicable, then:

- (a) in any case where a Currency Price is based on information obtained from the Reuters Monitor Money Rates Service, or any other financial information service, the Currency Price will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction;
- (b) notwithstanding paragraph 1(a) above, in any case where the Currency Price is based on information published or announced by any governmental authority in a relevant country, the Currency Price will be subject to the corrections, if any, to that information subsequently published or announced by that source within five calendar days of the relevant date, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.

2. Successor Currency

Where the applicable Final Terms specifies that "Successor Currency" is applicable in respect of a Currency Price, then:

- (a) each Subject Currency, Reference Currency and Base Currency will be deemed to include any lawful successor currency to the Subject Currency, Reference Currency or Base Currency (the "**Successor Currency**");
- (b) if the Calculation Agent determines that on or after the Successor Currency Reference Date but on or before any relevant date under the Securities on which an amount may be payable, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Issue Date or any Successor Currency, as the case may be (the "**Original Currency**") for a Successor Currency, then for the purposes of calculating any amounts of the Original Currency or effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by the relevant country of the Original Currency for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place, as determined by the Calculation Agent. If there is more than one such date, the date closest to such relevant date will be selected (or such other date as may be selected by the Calculation Agent in its sole and absolute discretion);
- (c) notwithstanding paragraph (b) above but subject to paragraph (d) below, the Calculation Agent may (to the extent permitted by the applicable law), in good faith and in its sole and absolute discretion, select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and, will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Securities to account for such elimination, conversion, redenomination or exchange of the Subject Currency, Reference Currency or Base Currency, as the case may be; and
- (d) notwithstanding the foregoing provisions, with respect to any Subject Currency, Reference Currency or Base Currency that is substituted or replaced by the Euro, the consequences of such substitution or replacement will be determined in accordance with applicable law.

3. Rebasing of Securities

If the applicable Final Terms specifies that "Rebasing" is applicable, then if, on or prior to any Valuation Date or Averaging Date or any other relevant date, the Calculation Agent is unable to obtain a value for a Subject Currency or Reference Currency (because the Subject Currency, the Reference Currency and/or Base Currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the Securities against another foreign exchange rate determined by the Calculation Agent, in its sole and absolute discretion, to be a comparable foreign exchange rate.

If the Calculation Agent determines in its sole and absolute discretion that there is not such a comparable foreign exchange rate, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

- (a) in the case of Notes, give notice to Holders in accordance with Note Condition 14 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (b) in the case of W&C Securities, give notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*) and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the inability of the Calculation Agent to obtain a value for the Subject Currency or Reference Currency (as applicable) less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).

Part 7

Definitions

The following terms and expressions used in these Product Conditions shall have the following meanings:

"**AA**" means an amount specified in the applicable Final Terms.

"**AAP**" means the "**Additional Amount Percentage**", being an amount, expressed as a percentage, which shall be (i) specified in the applicable Final Terms, or (ii) determined by the Calculation Agent in its sole and absolute discretion on or around the Trade Date and, if specified in the applicable Final Terms, is expected to be such amount as may be specified in the applicable Final Terms but shall not be more than and/or less than any percentage amount(s) as may be specified in the applicable Final Terms.

"**AAR**" means the "**Additional Amount Rate**", being an amount, expressed as a percentage per annum, specified in the applicable Final Terms.

"**Accrual Period**" means the number of days in the relevant period from (and including) the most recent Relevant Payment Date (or, if none, the Relevant Amount Commencement Date) to (but excluding) the relevant payment date.

"**ACP**" means the "**Additional Cumulative Percentage**", being, in respect of each W&C Security and each Additional Amount Payment Date (the "**Current Additional Amount Payment Date**"), an amount determined by the Calculation Agent to be equal to (a) the Additional Amount Percentage, multiplied by (b) a number (which may be zero) equal to the number of Additional Amount Payment Dates falling from, but excluding, the Previous Actual Additional Amount Payment Date (or, if there is no preceding Additional Amount Payment Date or no preceding Additional Amount Payment Date in respect of which an Additional Amount Event occurred on the relevant Additional Amount Reference Date, the Issue Date) corresponding to the Current Additional Amount Payment Date to, but excluding, the Current Additional Amount Payment Date.

"**Additional Amount**" means, in respect of each W&C Security:

- (i) if "Periodic Additional Amounts" is specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in respect of each Additional Amount Period in accordance with the following formula:

$\text{Notional Amount per W\&C Security} \times \text{Additional Amount Rate} \times \text{Additional Amount Rate Day Count Fraction}$; or

- (ii) if "Fixed Additional Amount", "Additional Amount Event" or "Accrual Additional Amount" is specified as applicable in the applicable Final Terms, an amount determined in accordance with Part 3B (*Additional Amount Provisions For W&C Securities*) of the Product Conditions.

"**Additional Amount Commencement Date**" means, in respect of W&C Securities, the Issue Date or if not the Issue Date, the date specified as such in the applicable Final Terms.

"**Additional Amount Cut-off Date**" means, in respect of W&C Securities, either the Exercise Date or the Settlement Date, as specified in the applicable Final Terms, or the date specified as such in the applicable Final Terms.

"**Additional Amount Event**" means, in respect of each Additional Amount Reference Date (and an Additional Amount Event shall be deemed to have occurred in respect of such Additional Amount Reference Date if), the Asset Performance of the Worst Performing Asset on such Additional Amount Reference Date is greater than or equal to the Additional Amount Threshold, as determined by the Calculation Agent.

"**Additional Amount (Mandatory Early Exercise)**" means an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times t \times AP$$

"Additional Amount Payment Date" means in the case of:

- (a) Underlying Asset Linked Securities which relate to an Asset Basket and in respect of:
 - (i) each Reference Date other than the Final Reference Date, the tenth Business Day following the Latest Reference Date in respect of such Reference Date (or such other number of Business Days following the Latest Reference Date in respect of such Reference Date as specified in the applicable Final Terms); and
 - (ii) the Final Reference Date, the Settlement Date,
 as specified in the applicable Final Terms; or
- (b) Underlying Asset Linked Securities which do not relate to an Asset Basket and in respect of:
 - (i) each Reference Date other than the Final Reference Date, the tenth Business Day following such Reference Date (or such other number of Business Days following such Reference Date as specified in the applicable Final Terms) and
 - (ii) the Final Reference Date, the Settlement Date,
 as specified in the applicable Final Terms; or
- (c) each date specified as such in the applicable Final Terms,

provided that, in each case, if the W&C Securities are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory Early Exercise Date shall be the final Additional Amount Payment Date for the W&C Securities (and there shall be no further Additional Amount Payment Dates).

"Additional Amount Period" means the period commencing on (and including) the Additional Amount Commencement Date to (but excluding) the first Additional Amount Payment Date (or if earlier the Additional Amount Cut off Date) and each period commencing on (and including) an Additional Amount Payment Date to (but excluding) the next following Additional Amount Payment Date (or if earlier the Additional Amount Cut off Date), and, if the relevant Final Terms specifies that the Additional Amount Periods, or particular Additional Amount Periods shall be (a) "Adjusted", then each Additional Amount Period shall commence on or end on, as the case may be, the relevant Additional Amount Payment Date after all applicable adjustments to such Additional Amount Payment Date pursuant to the Conditions, or (b) "Unadjusted", then each Additional Amount Period shall commence on or end on, as the case may be, the date on which the relevant Additional Amount Payment Date is scheduled to fall, disregarding all applicable adjustments to such Additional Amount Payment Date pursuant to the Conditions.

"Additional Amount Rate Day Count Fraction" means the Day Count Fraction specified as in the applicable Final Terms.

"Additional Amount Reference Date" means, in respect of an Asset, each Reference Date specified to be an Additional Amount Reference Date in the applicable Final Terms.

"Additional Amount Threshold" means an amount specified in the applicable Final Terms.

"Adjusted Final Asset Valuation Date" means, in respect of each Asset, the Final Reference Date after all adjustments to such date, if any, pursuant to the relevant Underlying Asset Linked Provisions and the Product Conditions, as applicable.

"Aggregate N Lowest Performances" means the aggregate of the N lowest Average Performances out of the Average Performances for the total number of Assets in the Asset Basket, as determined by the Calculation Agent (and "N" is a positive integer specified in the applicable Final Terms). For the avoidance of doubt, two or more of such Average Performances may have the same value.

"AP" means the **"Additional Percentage"**, being an amount, expressed as a percentage, which shall be (i) specified in the applicable Final Terms, or (ii) determined by the Calculation Agent in its sole and absolute discretion on or around the Trade Date and, if specified in the applicable Final Terms, is expected to be such amount as may be specified in the applicable Final Terms but shall not be more than and/or less than any amount(s) as may be specified in the applicable Final Terms.

"Asset" means an Index, a Share or a Fund Share, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset Basket" means:

- (a) a Basket of Indices; or
- (b) a Basket of Shares; or
- (c) a Basket of Funds; or
- (d) a Basket of Hybrid Assets,

each, as specified in the applicable Final Terms.

"Asset Closing Value" means, in respect of:

- (a) an Index, the Index Closing Level of the Index;
- (b) a Share, the Share Closing Price of the Share; and
- (c) a Fund Share, the Fund Share Closing Price of the Fund Share.

"Asset Performance" means, in the case where: (a) the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, in respect of an Asset and any relevant day, an amount (expressed as a percentage) determined by the Calculation Agent as being equal to (i) the Asset Closing Value of such Asset on such day, divided by (ii) the Initial Value of such Asset, or (b) the Underlying Asset Linked Securities do not relate to a Basket of Hybrid Assets, in respect of any relevant day and:

- (i) an Index, the Index Performance of the Index;
- (ii) a Share, the Share Performance of the Share; and
- (iii) a Fund Share, the Fund Performance of the Fund Share.

"Asset Performance (Final)" means, in respect of an Asset, the Asset Performance of such Asset on the Final Reference Date.

"Asset Performance (Worst Performing)" means the Asset Performance of the Worst Performing Asset on the Final Reference Date.

"Automatic Early Redemption Amount" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount or a percentage of the Calculation Amount as specified in the applicable Final Terms.

"Automatic Early Redemption Date" means in relation to Notes where:

- (a) Change of Interest Basis is specified as not applicable in the applicable Final Terms and the Interest Basis specified is: (i) Fixed Rate only, each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date, or (ii) Share Linked only or Index Linked only, each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date; or
- (b) Change of Interest Basis is specified as applicable in the applicable Final Terms, each Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date and the Excluded Interest Payment Date, if any, specified in the applicable Final Terms; or

- (c) a number of Business Days as specified in the applicable Final Terms following each Automatic Early Redemption Reference Date,

in each case, as specified in the applicable Final Terms.

"Automatic Early Redemption Event" means:

- (a) if **"Automatic Early Redemption Event 1"** is specified in the applicable Final Terms, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Index Closing Level of the Index on any Automatic Early Redemption Reference Date is greater than or equal to the Automatic Early Redemption Trigger, as determined by the Calculation Agent;
- (b) if **"Automatic Early Redemption Event 2"** is specified in the applicable Final Terms, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Share Closing Price of each Share in the Basket of Shares on any Automatic Early Redemption Reference Date is greater than or equal to the relevant Automatic Early Redemption Knock-Out Price for such Share, as determined by the Calculation Agent;
- (c) if **"Automatic Early Redemption Event 3"** is specified in the applicable Final Terms, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Share Closing Price of the Share on any Automatic Early Redemption Reference Date is greater than or equal to the relevant Automatic Early Redemption Trigger, as determined by the Calculation Agent.

"Automatic Early Redemption Knock-Out Price" means, in respect of:

- (a) a Share, the amount specified in the column entitled "Automatic Early Redemption Knock-Out Price" in the table set out under "Specific Information relating to the Underlying Asset(s)" in the applicable Final Terms and corresponding to such Share, and if specified in the applicable Final Terms, equal to such percentage of the Initial Price of such Share as specified in the applicable Final Terms; or
- (b) a Share and each Automatic Early Redemption Reference Date, the amount specified in the column entitled "Automatic Early Redemption Knock-Out Price" of the "Product Specific Information Table" in the row corresponding to the Scheduled Automatic Early Redemption Reference Date on which such Automatic Early Redemption Reference Date is scheduled to fall, and if specified in the applicable Final Terms, equal to such percentage of the Initial Price of such Share as specified in the applicable Final Terms,

in each case, as specified in the applicable Final Terms.

"Automatic Early Redemption Reference Date" means in relation to Notes where:

- (a) Change of Interest Basis is specified as not applicable in the applicable Final Terms and the Interest Basis specified is Fixed Rate only, in respect of each Fixed Interest Payment Date (if any) other than the Fixed Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Fixed Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms);
- (b) Change of Interest Basis is specified as not applicable in the applicable Final Terms and the Interest Basis specified is Share Linked only or Index Linked only, in respect of each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Underlying Asset Linked Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days

prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms);

- (c) Change of Interest Basis is specified as applicable in the applicable Final Terms, in respect of:
 - (i) each Fixed Interest Payment Date other than the Excluded Interest Payment Date, if any, specified in the applicable Final Terms, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Fixed Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Fixed Interest Payment Date specified in the applicable Final Terms other than the Excluded Interest Payment Date, if any, specified in the applicable Final Terms), and (ii) each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or the tenth Common Scheduled Trading Day prior to such Underlying Asset Linked Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms); or
- (d) each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the Product Specific Information Table in the applicable Final Terms, or if no Product Specific Information Table is set out in the applicable Final Terms, each date specified as such,

in each case, as specified in the applicable Final Terms, and if such date is a Disrupted Day for an Index or a Share (as applicable), such date will be subject to adjustment as a "Valuation Date" in accordance with the:

- (i) Index Linked Conditions if the Automatic Early Redemption Event specified in the applicable Final Terms is Automatic Early Redemption Event 1; or
- (ii) Share Linked Conditions if the Automatic Early Redemption Event specified in the applicable Final Terms is Automatic Early Redemption Event 2 or Automatic Early Redemption Event 3.

If specified in the applicable Final Terms, the first Automatic Early Redemption Reference Date is scheduled to fall on the date specified in the applicable Final Terms as the First Scheduled Automatic Early Redemption Reference Date.

"Automatic Early Redemption Trigger" means, in respect of a Share or an Index (as applicable) and each Automatic Early Redemption Reference Date, the amount specified as such in the applicable Final Terms in respect of such Share or Index (as applicable), being equal to a percentage of the Initial Price of such Share or the Initial Level of such Index, as specified in the applicable Final Terms.

"Average Performance" means, in respect of each Asset in an Asset Basket, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Average Value}}{\text{Initial Value}}$$

"Barrier Call Event" means a Barrier Call Event (final) or Barrier Call Event (observation period), as specified in the applicable Final Terms.

"Barrier Call Event (final)" means a Barrier Call Event (final closing) or a Barrier Call Event (final intraday), as specified in the applicable Final Terms.

"Barrier Call Event (final closing)" has the meaning given to it in the Index Linked Conditions.

"Barrier Call Event (final intraday)" has the meaning given to it in the Index Linked Conditions.

"Barrier Call Event (closing)" has the meaning given to it in the Index Linked Conditions.

"Barrier Call Event (intraday)" has the meaning given to it in the Index Linked Conditions.

"Barrier Call Event (observation period)" means a Barrier Call Event (closing) or a Barrier Call Event (intraday), as specified in the applicable Final Terms.

"Barrier Event" means a Barrier Event (closing) or a Barrier Event (intraday), as specified in the applicable Final Terms.

"Barrier Event (closing)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

"Barrier Event (final closing)" in respect of an Index, has the meaning given to it in the Index Linked Conditions.

"Barrier Event (final intraday)" in respect of an Index, has the meaning given to it in the Index Linked Conditions.

"Barrier Event (intraday)" in respect of (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

"Barrier Put Event" means a Barrier Put Event (final) or a Barrier Put Event (observation period), as specified in the applicable Final Terms.

"Barrier Put Event (final)" means a Barrier Event (final closing) or a Barrier Event (final intraday), as specified in the applicable Final Terms.

"Barrier Put Event (observation period)" means a Barrier Event (closing) or a Barrier Event (intraday), as specified in the applicable Final Terms.

"Barrier Value" means, in respect of:

- (a) an Index, the "Barrier Level" as defined in the Index Linked Conditions;
- (b) a Share, the "Barrier Level" as defined in the Share Linked Conditions; and
- (c) a Fund Share, the "Barrier Level" as defined in the Fund Linked Conditions.

"Base Currency" means the currency specified as such in the applicable Final Terms.

"Basket Averaging Cut-Off Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, the eighth Common Trading Day immediately following the Scheduled Final Basket Averaging Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Basket Averaging Dates, provided that the Basket Averaging Cut-Off Date shall not fall prior to the Scheduled Final Basket Averaging Date.

"Basket Averaging Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, each Basket Averaging Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day for any Asset, the immediately following Common Trading Day or, if earlier, the Basket Averaging Cut-Off Date. If any such day is a Disrupted Day for any Asset comprised in the Basket of Hybrid Assets:

- (a) if **"Omission"** is specified as applicable in the applicable Final Terms, then such date will be deemed not to be a Basket Averaging Date for the purposes of determining the relevant level or price provided that, if through the operation of this provision there would not be a Basket Averaging Date, then the provisions of the definition of "Basket Valuation Date" will apply for purposes of determining the relevant level or price on the final Basket Averaging Date, as

if such final Basket Averaging Date were a Basket Valuation Date that was a Disrupted Day;
or

- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Basket Valuation Date" will apply for the purposes of determining the relevant level or price on that Basket Averaging Date as if such Basket Averaging Date were a Basket Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Basket Averaging Date would fall on a day that already is or is deemed to be a Basket Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms, then the Basket Averaging Date for each Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Basket Averaging Date (or if the Scheduled Basket Averaging Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Basket Averaging Cut-Off Date) and the Basket Averaging Date for each Asset affected (each, an "**Affected Asset**") by the occurrence of a Disrupted Day shall be the first succeeding Basket Valid Date in relation to the Affected Asset. If the first succeeding Basket Valid Date in relation to the Affected Asset has not occurred as of the Valuation Time on the Basket Averaging Cut-Off Date or if such Basket Averaging Date falls on the Basket Averaging Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day for the Affected Asset, then (I) the Basket Averaging Cut-Off Date shall be deemed to be the Basket Averaging Date for the Affected Asset (irrespective of whether the Basket Averaging Cut-Off Date is already a Basket Averaging Date), and (II) the Calculation Agent shall determine, in relation to the Affected Asset which is:
 - (A) an Index, the relevant level of the Index as of the Valuation Time for the Index on the Basket Averaging Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time for the Index on the Basket Averaging Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Basket Averaging Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Basket Averaging Cut-Off Date); or
 - (B) a Share, the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Basket Averaging Cut-Off Date; or
 - (C) a Fund Share, the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Basket Averaging Cut-Off Date.

"Basket Observation Cut-Off Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, the eighth Common Trading Day immediately following the Scheduled Basket Observation Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Basket Observation Date, provided that the Basket Observation Cut-Off Date shall not fall prior to the original date on which such Basket Observation Date was scheduled to fall.

"Basket Observation Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, each Basket Observation Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day for any Asset, the immediately following Common Trading Day or, if earlier, the Basket Observation Cut-Off Date. If any such day is a Disrupted Day for any Asset comprised in the Basket of Hybrid Assets, then the Basket Observation Date for each Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Basket Observation Date (or if the Scheduled Basket Observation Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Basket Observation Cut-Off Date) and the

Basket Observation Date for each Asset affected (each, an "**Affected Asset**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Asset, unless each of the Scheduled Trading Days immediately following the Scheduled Basket Observation Date (or if such Scheduled Basket Observation Date is not a Common Trading Day, the immediately following Common Trading Day) up to, and including, the Basket Observation Cut-Off Date is a Disrupted Day relating to the Affected Asset. In that case, or if such Basket Observation Date falls on the Basket Observation Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Basket Observation Cut-Off Date shall be deemed to be the Basket Observation Date for such Affected Asset (notwithstanding the fact that such day may be a Disrupted Day for an Asset or not a Common Trading Day) and (ii) the Calculation Agent shall determine, in relation to such Affected Asset which is:

- (A) an Index, the relevant level of the Index as of the Valuation Time for the Index on the Basket Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time for the Index on the Basket Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Basket Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Basket Observation Cut-Off Date); or
- (B) a Share, the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Basket Observation Cut-Off Date; or
- (C) a Fund Share, the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Basket Observation Cut-Off Date.

"Basket of Hybrid Assets" means, subject to adjustment in accordance with the relevant Underlying Asset Conditions, a basket specified as such in the applicable Final Terms and composed of Assets comprising in their relative proportions or number of Assets, as specified in the applicable Final Terms, other than a Basket of Indices, a Basket of Shares or a Basket of Funds.

"Basket Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Basket Averaging Date does not or is deemed not to occur.

"Basket Valuation Cut-Off Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, the eighth Common Trading Day immediately following the Scheduled Basket Valuation Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Basket Valuation Date, provided that the Basket Valuation Cut-Off Date shall not fall prior to the original date on which such Basket Valuation Date was scheduled to fall.

"Basket Valuation Date" means, where the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, each Basket Valuation Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day for any Asset, the immediately following Common Trading Day or, if earlier, the Basket Valuation Cut-Off Date. If any such day is a Disrupted Day for any Asset comprised in the Basket of Hybrid Assets, then the Basket Valuation Date for each Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Basket Valuation Date (or if the Scheduled Basket Valuation Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Basket Valuation Cut-Off Date) and the Basket Valuation Date for each Asset affected (each, an "**Affected Asset**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Asset, unless each of the Scheduled Trading Days immediately following the Scheduled Basket Valuation Date (or if such Scheduled Basket Valuation Date is not a Common Trading Day, the immediately following Common Trading Day) up to, and including, the Basket Valuation Cut-Off Date is a Disrupted Day

relating to the Affected Asset. In that case, or if such Basket Valuation Date falls on the Basket Valuation Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Basket Valuation Cut-Off Date shall be deemed to be the Basket Valuation Date for such Affected Asset (notwithstanding the fact that such day may be a Disrupted Day for an Asset or not a Common Trading Day) and (ii) the Calculation Agent shall determine, in relation to such Affected Asset which is:

- (A) an Index, the relevant level of the Index as of the Valuation Time for the Index on the Basket Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time for the Index on the Basket Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Basket Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Basket Valuation Cut-Off Date); or
- (B) a Share, the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Basket Valuation Cut-Off Date; or
- (C) a Fund Share, the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Basket Valuation Cut-Off Date.

"Basket Weight" means the amount specified as such in the applicable Final Terms.

"BP" means the **"Basket Performance"**, being an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Basket Weight} \times \{ \text{Aggregate N Lowest Performances} + [v \times (1 + C)] \}$$

"BP Average" means the sum of the Weighted Average Performance of each Asset in an Asset Basket.

"Broken Amount(s)" means, in respect of Notes and each Interest Payment Date, an amount per Calculation Amount of Notes specified in the applicable Final Terms in relation to such Interest Payment Date.

"Business Day Convention", in relation to any particular date, if any of the following expressions are specified in the applicable Final Terms, they shall have the following meanings in relation to any relevant day which is not a Business Day:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;
- (c) **"Nearest"** means that the relevant date shall be the first preceding day that is a Business Day, if the relevant date would otherwise fall on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date would otherwise fall on a Sunday or a Monday;
- (d) **"Preceding Business Day Convention"** means that the relevant date will be the first preceding day that is a Business Day; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"C" means an amount specified in the applicable Final Terms.

"CA" means "**Calculation Amount**", being in respect of Notes, an amount specified in the applicable Final Terms.

"Cap" means a value specified in the applicable Final Terms.

"Cash Portion" means:

- (a) if the applicable Final Terms specify "**FRA 1**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$\text{FRCA} - (\text{Entitlement} \times \text{ETF Final Price})$$

- (b) if the applicable Final Terms specify "**FRA 3**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{FRP}_{\text{WPS}}$$

- (c) if the applicable Final Terms specify "**FRA 4**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{FRP}$$

The Cash Portion will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards.

"**Common Trading Day**" means each day which is a Scheduled Trading Day for all the Assets in the Basket of Hybrid Assets.

"**Coupon Strike**" means, in respect of an Asset, the level or price specified in the column entitled "Coupon Strike" in the table set out under "Specific Information relating to the Underlying Asset(s)" in the applicable Final Terms and corresponding to such Asset, and if specified in the applicable Final Terms, equal to such percentage of the Initial Value of such Asset as specified in the applicable Final Terms.

"**Currency Price**" means, in relation to each Security or Unit, as the case may be, in respect of each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged).

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in the Conditions or the applicable Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms in respect of Fixed Rate Notes:
- (i) where the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
 - (d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of a Relevant Payment Date falling in a leap year, 366;
 - (e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
 - (f) if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Relevant Payment Date (or, if none, the Relevant Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
 - (g) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

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

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; or

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

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

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

"Determination Period" means, in respect of Fixed Rate Notes, each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Relevant Amount Commencement Date or the final Relevant Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"Entitlement" means a quantity of the Relevant Asset determined by the Calculation Agent in accordance with the provisions below, which quantity will be, if applicable, subject to further rounding

as provided in Physical Delivery Note Condition 2 (*Delivery of Entitlement and Asset Transfer Notices*), and includes any documents evidencing such Relevant Asset:

- (a) if the applicable Final Terms specify "**FRA 1**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the Fixed Fund Share Amount.
- (b) if the applicable Final Terms specify "**FRA 3**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.
- (c) if the applicable Final Terms specify "**FRA 4**" to be applicable, in respect of each nominal amount of Notes equal to the Calculation Amount, the Specified Entitlement Amount specified in the applicable Final Terms or if no Specified Entitlement Amount is specified, a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.

"ETF Final Price" means, in respect of a Fund Share, the Fund Share Closing Price of such Fund Share on the ETF Valuation Date, as determined by the Calculation Agent, subject to adjustment in accordance with the Fund Linked Conditions.

"ETF Valuation Date" means, in respect of a Fund Share, the Final Index Valuation Date, following all adjustments, if any, pursuant to the Index Linked Conditions, and if such day is not a Scheduled Trading Day or is a Disrupted Day in respect of the Fund Share, subject to further adjustment as a "Valuation Date" in accordance with the Fund Linked Conditions.

"Exchange Rate" means, in relation to each Security or Unit, as the case may be:

- (a) where "Currency Price" is specified as applicable in the applicable Final Terms, in respect of any relevant day, the Currency Price, provided that if the Currency Price is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant; or
- (b) where "Derived Exchange Rate" is specified as applicable in the applicable Final Terms, in respect of any relevant day and each Subject Currency, an amount equal to the spot rate of exchange for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), calculated by the Calculation Agent as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day, in each case, in respect of such day (and the amount resulting from such calculation will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards).
- (c) where "Specified Rate" is specified as applicable in the applicable Final Terms, in respect of any relevant day, as an amount equal to the (a) spot rate of exchange, or (b) bid rate of exchange, or (c) mid rate of exchange, or (d) offer rate of exchange, as specified in the applicable Final Terms, appearing on the FX Price Source at or around the FX Valuation Time on such day (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged (such rate, the "**Specified Rate**"), provided that if the Specified Rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Specified Rate, taking into consideration all available information as it in good faith deems relevant.

"Exchange Rate Cut-Off Date" means, in respect of the FX Reference Date, the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the Settlement Date, provided that the such date shall not fall prior to the original date on which such FX Reference Date was scheduled to fall.

"Exchange Rate (Fixed Share Amount)" means the relevant Exchange Rate in respect of the Final Share Basket Valuation Date.

"Exchange Rate Strike Date" means, in respect of an Exchange Rate, the date specified as such in the applicable Final Terms, or if such day is not an FX Business Day, the first FX Business Day after such day.

"Exchange Rate Valuation Date" means the FX Reference Date, or, if such date is not a FX Business Day, the earlier to occur of (a) the next following FX Business Day, and (b) the Exchange Rate Cut-Off Date.

"Excluded Interest Payment Date(s)" means a Fixed Interest Payment Date scheduled to fall on the date specified as an "Excluded Interest Payment Date" in the applicable Final Terms.

"Exercise Date" means:

- (a) if "Mandatory Early Exercise" is specified as applicable in the applicable Final Terms, the earliest to occur of (i) the date specified as such in the applicable Final Terms, provided that if the applicable Final Terms specifies "Exercise Date is Business Day Adjusted" and such date is not a Business Day, such date shall be adjusted in accordance with the Exercise Date Business Day Convention specified in the applicable Final Terms, (ii) the second Business Day immediately preceding the Settlement Date, and (iii) the Mandatory Early Exercise Date; or
- (b) if "Mandatory Early Exercise" is not specified as applicable in the applicable Final Terms, the earlier of (i) the date specified as such in the applicable Final Terms, and where the applicable Final Terms specifies "Exercise Date is Business Day Adjusted", then if the Exercise Date is not a Business Day, the Exercise Date shall be adjusted in accordance with the Exercise Date Business Day Convention specified in the applicable Final Terms and (ii) the second Business Day immediately preceding the Settlement Date.

"Exercise Date Business Day Convention" means the Business Day Convention specified as such in the applicable Final Terms.

"Final Average Level" means, in respect of an Index, the arithmetic mean of the Index Closing Level of such Index in respect of each Averaging Date, as determined by the Calculation Agent.

"Final Average Value" means, in respect of an Asset, the arithmetic mean of the Asset Closing Value of such Asset in respect of each Reference Date, as determined by the Calculation Agent.

"Final Index Valuation Date" means the tenth Scheduled Trading Day prior to the Maturity Date or such other number of Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and if such day is a Disrupted Day, subject to adjustment as a "Valuation Date" in accordance with the Index Linked Conditions.

"Final Level" in respect of an Index, has the meaning given to it in the Index Linked Conditions.

"Final Price" in respect of:

- (a) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (b) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Final Reference Date" means, in respect of an Asset, each Averaging Date, Valuation Date, Observation Date, Basket Averaging Date, Basket Observation Date, Basket Valuation Date or any other date specified as a "Final Reference Date" in the applicable Final Terms.

"Final Reference Level" means, in respect of an Index, the Index Closing Level of such Index in respect of the Final Index Valuation Date, as determined by the Calculation Agent.

"Final Share Basket Valuation Date" means the tenth Common Scheduled Trading Day prior to the Maturity Date or such other number of Common Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and if such day is a Disrupted Day for one or more Shares in the Basket of Shares, subject to adjustment as a "Valuation Date" in accordance with the Share Linked Conditions.

"Final Share Valuation Date" means the tenth Scheduled Trading Day prior to the Maturity Date or such other number of Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and if such day is a Disrupted Day, subject to adjustment as a "Valuation Date" in accordance with the Share Linked Conditions.

"Final Value" means, in respect of:

- (a) an Index, the Final Level of the Index;
- (b) a Share, the Final Price of the Share; and
- (c) the Fund Share, the Final Price of the Fund Share.

"First Scheduled Automatic Early Redemption Reference Date" means the date specified as such in the applicable Final Terms.

"First Scheduled Interest Valuation Date" means the date specified as such in the applicable Final Terms.

"Fixed Coupon Amount(s)" means, in respect of Notes and each Fixed Interest Payment Date, an amount per Calculation Amount of Notes specified in the applicable Final Terms in relation to such Fixed Interest Payment Date.

"Fixed Fund Share Amount" means a number of Fund Shares of the ETF calculated by the Calculation Agent in accordance with the following formula (and the Fixed Fund Share Amount will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{FRCA}}{\text{ETF Final Price}}$$

"Fixed Interest Payment Date" means each Scheduled Fixed Interest Payment Date, and each adjusted in accordance with the Business Day Convention as specified in accordance with Part 3A of the Product Conditions.

"Fixed Interest Period" means (i) the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date and (ii) each successive period commencing on, and including, a Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date.

"Fixed Share Amount" means:

- (a) if the applicable Final Terms specify **"FRA 3"** to be applicable and:
 - (i) **"FX Conversion"** is specified to be not applicable, a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{CA}}{\text{Strike Price}_{\text{WPS}}}$$

- (ii) **"FX Conversion"** is specified to be applicable, a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula:

$$\frac{CA \times \text{Exchange Rate (Fixed Share Amount)}}{\text{Strike Price}_{\text{WPS}}}$$

- (b) if the applicable Final Terms specify "**FRA 4**" to be applicable, a number of shares of the Relevant Asset determined by the Calculation Agent in accordance with the following formula:

$$\frac{CA}{\text{Strike Price}}$$

The Fixed Share Amount will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards.

"Floating Rate Interest Payment Date" means:

- (i) each date in each year specified in the applicable Final Terms (the "**Specified Interest Payment Date(s)**") and each adjusted in accordance with the Business Day Convention as specified in accordance with Part 3A (*Interest Provisions For Notes*) of the Product Conditions; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms and a number of months or other period is specified as the "Specified Period" in the applicable Final Terms, each date determined in accordance with the Floating Rate Convention which falls at such Specified Period after the preceding Floating Rate Interest Payment Date or, in the case of the first Floating Rate Interest Payment Date, after the Interest Commencement Date.

"Floating Rate Interest Period" means an Interest Period in respect of Floating Rate Notes.

"FRCA" means the "**Final Redemption Calculation Amount**", being in respect of an Index, an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$CA \times \frac{\text{Final Reference Level}}{\text{Initial Level}}$$

"FRP" means the "**Final Reference Price**", being in respect of a Share, the Share Closing Price of such Share on the Final Share Valuation Date, as determined by the Calculation Agent.

"FRP_{WPS}" means the Share Closing Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"Fund Share Closing Price" has the meaning given to it in the Fund Linked Conditions.

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial.

"FX Business Day" means, in respect of a Currency Price, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), in each of the Specified Financial Centres for such Currency Price, as specified in the applicable Final Terms.

"FX Final" means the Exchange Rate on the Exchange Rate Valuation Date.

"FX Initial" means the Exchange Rate on the Exchange Rate Strike Date.

"FX Price Source(s)" means, in respect of a Currency Price or Specified Rate, the price source(s) specified in the applicable Final Terms for such Currency Price or Specified Rate, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Reference Date" means the Latest Reference Date in respect of the Adjusted Final Asset Valuation Date.

"FX Specified Price" means any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange, (b) the bid rate of exchange, (c) the mid rate of exchange or (d) the offer rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Growth Amount" or **"GA"** means an amount specified in the applicable Final Terms.

"Inconvertibility Event" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or
- (b) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

"Index Closing Level" has the meaning given to it in the Index Linked Conditions.

"Initial Level" in respect of an Index, means the "Initial Level" specified in respect of such Index in the applicable Final Terms or, if "As specified in the Index Linked Conditions" is specified in the applicable Final Terms, "Initial Level" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Initial Price" in respect of:

- (a) a Share, means the "Initial Price" specified in respect of such Share in the applicable Final Terms or, if "As specified in the Share Linked Conditions" is specified in the applicable Final Terms, "Initial Price" has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (b) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Initial Value" means, in respect of:

- (a) an Index, the Initial Level of the Index;
- (b) a Share, the Initial Price of the Share; and
- (c) a Fund Share, the Initial Price of the Fund Share.

"Interest Amount" means an amount of interest payable on the Notes for the relevant Interest Period determined in accordance with the Product Conditions.

"Interest Basis A" means, in respect of a Change of Interest Basis, Fixed Rate.

"Interest Basis A Commencement Date" means, if "Change of Interest Basis" is specified as applicable in the applicable Final Terms, in respect of Interest Basis A, the Issue Date, the Interest Commencement Date or such other date specified as such in the applicable Final Terms.

"Interest Basis A Payment Date" means each Interest Payment Date falling in the period commencing on, but excluding, the Interest Commencement Date and ending on, and including, the Interest Payment Date scheduled to fall on the Underlying Asset Linked Interest Commencement Date.

"Interest Basis B" means Index Linked, Share Linked or GDR/ADR Linked, as specified in the applicable Final Terms.

"Interest Basis B Commencement Date" means, if "Change of Interest Basis" is specified as applicable in the applicable Final Terms, in respect of Interest Basis B, the Underlying Asset Linked Interest Commencement Date.

"Interest Basis B Payment Date" means each Underlying Asset Linked Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date.

"Interest Basis Provisions" means, in respect of an Interest Basis is specified in the applicable Final Terms to be:

- (a) Fixed Rate, the provisions applicable to Fixed Rate Notes;
- (b) Floating Rate, the provisions applicable to Floating Rate Notes; or
- (c) any Index Linked Interest, Share Linked Interest or GDR/ADR Linked Interest, the provisions applicable to Index Linked Interest Notes, Share Linked Interest Notes or GDR/ADR Linked Interest Notes respectively, as the case may be.

"Interest Commencement Date" means, in respect of Notes:

- (a) if "Change of Interest Basis" is specified as not applicable in the applicable Final Terms, the Issue Date or such other date specified as such in the applicable Final Terms; or
- (b) if "Change of Interest Basis" is specified as applicable in the applicable Final Terms, in respect of: (i) Interest Basis A, the Interest Basis A Commencement Date, and (ii) Interest Basis B, the Interest Basis B Commencement Date.

"Interest Payment Date" means in respect of:

- (a) Fixed Rate Notes, each Fixed Interest Payment Date; or
- (b) Floating Rate Notes, each Floating Rate Interest Payment Date; or
- (c) Underlying Asset Linked Notes, each Underlying Asset Linked Interest Payment Date,

provided that (i) if the Notes are redeemed on an Interest Payment Date as a result of an Automatic Early Redemption Event occurring, or otherwise, such Interest Payment Date shall be the final Interest Payment Date for the Notes, and (ii) any Interest Payment Date falling after the date on which the Notes are redeemed shall not be an Interest Payment Date.

"Interest Period" means, in respect of:

- (a) Fixed Rate Notes, each Fixed Interest Period;
- (b) Floating Rate Notes, the period commencing on, and including, an Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Interest Payment Date) and, if the relevant Final Terms specifies that the Interest Periods, or particular Interest Periods shall be (i) "Adjusted", then each Interest Period shall commence on or end on, as the case may be, the relevant Interest Payment Date after all applicable adjustments to such Interest Payment Date pursuant to the Conditions, or (ii) "Unadjusted", then each Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding all applicable adjustments to such Interest Payment Date pursuant to the Conditions; or
- (c) Underlying Asset Linked Interest Notes, each Underlying Asset Linked Interest Period.

"Interest Valuation Date" means the tenth Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date or the tenth Common Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date, or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Underlying Asset Linked Interest Payment Date, as specified in the applicable Final Terms, and if such day is a Disrupted Day for an Index or a Share (as applicable), such day will be subject to adjustment as a "Valuation Date" in accordance with the:

- (a) Index Linked Conditions if the Notes are Index Linked Interest Notes; or
- (b) Share Linked Conditions if the Notes are Share Linked Interest Notes.

If specified in the applicable Final Terms, the first Interest Valuation Date is scheduled to fall on the date specified in the applicable Final Terms as the First Scheduled Interest Valuation Date.

"IP" means the **"Issue Price"**, being an amount specified in the applicable Final Terms.

"Latest Reference Date" means, in respect of an Asset Basket and a Reference Date:

- (a) if, as a result of the Reference Date not being a Scheduled Trading Day for one or more Assets or as a result of the occurrence of a Disrupted Day for one or more Assets, the Reference Date for two or more Assets falls on different dates, the date corresponding to the Reference Date which is the latest to occur, as determined by the Calculation Agent; or
- (b) if the Reference Date for all of the Assets falls on the same date (after adjustment, if any, for non-Scheduled Trading Days or Disrupted Days for such Assets), such same date corresponding to the Reference Date.

"Mandatory Early Exercise Cash Settlement Amount" means an amount determined in accordance with Part 2B (*Mandatory Early Exercise Provisions For W&C Securities*) of the Product Conditions.

"Mandatory Early Exercise Cash Settlement Date" means the day falling on the tenth Business Day after the Mandatory Early Exercise Date or such other number of Business Days after the Mandatory Early Exercise Date as specified in the applicable Final Terms.

"Mandatory Early Exercise Date" means the first Reference Date on which a Mandatory Early Exercise Event has occurred, provided that in the case of Underlying Asset Linked Securities which relate to an Asset Basket, if the Reference Date for one or more Assets in an Asset Basket is adjusted in accordance with the relevant Underlying Asset Conditions and these Product Conditions, if applicable, the **"Mandatory Early Exercise Date"** shall be the Latest Reference Date corresponding to the first Reference Date on which a Mandatory Early Exercise Event has occurred.

"Mandatory Early Exercise Event" means:

- (a) if "Mandatory Early Exercise Event 1" is specified as applicable in the applicable Final Terms, in respect of each Reference Date (and a Mandatory Early Exercise Event shall be deemed to have occurred in respect of such Reference Date if) the Asset Performance of the Worst Performing Asset on such Reference Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the relevant Mandatory Early Exercise Trigger, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the relevant Mandatory Early Exercise Trigger, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the relevant Mandatory Early Exercise Trigger, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the relevant Mandatory Early Exercise Trigger, as determined by the Calculation Agent;
- (b) if "Mandatory Early Exercise Event 2" is specified as applicable in the applicable Final Terms, in respect of each Reference Date (and a Mandatory Early Exercise Event shall be deemed to have occurred in respect of such Reference Date if) the Asset Performance of the Asset on such Reference Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the relevant Mandatory Early Exercise Trigger, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the relevant Mandatory Early Exercise Trigger, (iii) if specified in the applicable

Final Terms that "less than" shall apply, less than the relevant Mandatory Early Exercise Trigger, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the relevant Mandatory Early Exercise Trigger, as determined by the Calculation Agent.

"Mandatory Early Exercise Table" means the table specified as such in the applicable Final Terms.

"Mandatory Early Exercise Trigger" means, in respect of each Reference Date, the amount specified as such in the applicable Final Terms or in the column entitled "Mandatory Early Exercise Trigger" of the Mandatory Early Exercise Table and corresponding to such Reference Date.

"Maturity Date" means, in respect of Notes, the Scheduled Maturity Date, and where the applicable Final Terms specifies "Scheduled Maturity Date is Business Day Adjusted", then if the Scheduled Maturity Date is not a Business Day, the Scheduled Maturity Date shall be adjusted in accordance with the Maturity Business Day Convention specified in the applicable Final Terms and subject to any further adjustment in accordance with Note Condition 5(F) (*Payment Day*).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Maximum FRA" means a percentage as specified in the applicable Final Terms.

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"Minimum FRA" means a percentage as specified in the applicable Final Terms.

"n" means where "Accrual Additional Amount" is specified as applicable in the applicable Final Terms, the total number of Business Days in the Observation Period falling prior to the first day on which either a Barrier Put Event (observation period) or a Barrier Call Event (observation period) occurs (such day, a "Barrier Event Date"). If the Calculation Agent determines that there is no Barrier Event Date, "n" shall be deemed to have a value equal to N.

"N" means, where "Accrual Additional Amount" is specified as applicable in the applicable Final Terms, the actual number of Business Days in the relevant Observation Period.

"N_{AAPD}" means the total number of Additional Amount Payment Dates specified in the applicable Final Terms or such other amount specified in the applicable Final Terms.

"Non-Transferability Event" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction.

"Notional Amount per W&C Security" means an amount specified in the applicable Final Terms.

"Observation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Observation Period" has the meaning given to it in the Index Linked Conditions.

"OTM" means the **"Out Of The Money Level"**, being an amount specified in the applicable Final Terms.

"P" means the **"Participation"**, being an amount which shall be (i) specified in the applicable Final Terms, or (ii) determined by the Calculation Agent in its sole and absolute discretion on or around the

Trade Date and, if specified in the applicable Final Terms, is expected to be such amount as may be specified in the applicable Final Terms but shall not be more than and/or less than any percentage amount(s) as may be specified in the applicable Final Terms.

"Previous Actual Additional Amount Payment Date" means, in respect of each Additional Amount Payment Date, the first Additional Amount Payment Date preceding such Additional Amount Payment Date in respect of which an Additional Amount Event has occurred on the Additional Amount Reference Date scheduled to fall immediately prior to such Additional Amount Payment Date.

"Product Specific Information Table" means a table specified in the applicable Final Terms.

"RA" or "Reference Amount" means an amount specified in the applicable Final Terms.

"Rate(s) of Interest" means, in respect of each Interest Period, the rate of interest specified in the applicable Final Terms or determined in accordance with the relevant Product Conditions.

"RC/BC Price Source" means, in respect of a Reference Currency/Base Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Base Currency Price, or if the relevant rate is not published or announced by such RC/BC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/BC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"RC/SC Price Source" means, in respect of a Reference Currency/Subject Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Subject Currency Price, or if the relevant rate is not published or announced by such RC/SC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/SC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Reference Currency/Base Currency Price" means, in respect of each Base Currency, an amount equal to the spot rate of exchange appearing on the RC/BC Price Source at the RC/BC Valuation Time on the relevant day for the exchange of such Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/BC Price Source at the RC/BC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Base Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Currency/Subject Currency Price" means, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the RC/SC Price Source at the RC/SC Valuation Time on the relevant day for the exchange of such Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/SC Price Source at the RC/SC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Subject Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Date" means, in respect of an Asset, each Averaging Date, Valuation Date, Observation Date, Basket Averaging Date, Basket Observation Date, Basket Valuation Date or any other date(s) (or any combination of the foregoing) specified as a "Reference Date" in the applicable Final Terms (collectively, the **"Reference Dates"**).

"Relevant Asset" means, if the applicable Final Terms specify:

- (a) "FRA 1" to be applicable, the Fund Shares of the ETF; or
- (b) "FRA 3" to be applicable, the Worst Performing Share on the Final Share Basket Valuation Date; or
- (c) "FRA 4" to be applicable, the Share.

"**Relevant Payment Date**" means: (a) in the case of Notes, an Interest Payment Date, or (b) in the case of W&C Securities, an Additional Amount Payment Date.

"**Residual Share Amount**" means the Specified Residual Share Amount specified in the applicable Final Terms, or if "Specified Residual Share Amount" is specified as "Not Applicable", an amount determined by the Calculation Agent in accordance with the following formula:

Fixed Share Amount – Entitlement

"**Round Lot**" means, in respect of a Relevant Asset, a number determined by the Calculation Agent equal to the smallest number of such Relevant Asset that can be traded on the Exchange for such Relevant Asset, as specified by the relevant Exchange.

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

"**Scheduled Basket Averaging Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Assets comprised in the Basket of Hybrid Assets, would have been a Basket Averaging Date.

"**Scheduled Basket Observation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Assets comprised in the Basket of Hybrid Assets, would have been a Basket Observation Date.

"**Scheduled Basket Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Assets comprised in the Basket of Hybrid Assets, would have been a Basket Valuation Date.

"**Scheduled Final Basket Averaging Date**" means any original date that, but for the occurrence of another Basket Averaging Date or a Disrupted Day for one or more Assets comprised in the Basket of Hybrid Assets, or on account of such date not being a Common Trading Day, would have been the final Basket Averaging Date.

"**Scheduled Fixed Interest Payment Date**" means each date specified as such in the applicable Final Terms.

"**Scheduled Interest Payment Date**" means each date specified as such in the applicable Final Terms.

"**Scheduled Maturity Date**" means the date specified as such in the applicable Final Terms.

"**Scheduled Settlement Date**" means the date specified as such in the applicable Final Terms.

"**Scheduled Trading Day**" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"**Settlement Date**" means:

- (a) if "Mandatory Early Exercise" is specified as applicable in the applicable Final Terms, if (i) a Mandatory Early Exercise Event occurs on any Reference Date, the Settlement Date shall be

the Mandatory Early Exercise Cash Settlement Date; or (ii) a Mandatory Early Exercise Event does not occur on any Reference Date, the Settlement Date shall be the date specified as such in the applicable Final Terms, subject to W&C Securities Condition 6(B) (*Payment Day*); or

- (b) if "Mandatory Early Exercise" is specified as not applicable in the applicable Final Terms, the date specified as such in the applicable Final Terms, subject to W&C Securities Condition 6(B).

"Share Closing Price" has the meaning given to it in the Share Linked Conditions.

"Specified Additional Amount" means the amount specified as such in the applicable Final Terms.

"Specified Entitlement Amount" means a number of shares specified in the applicable Final Terms, being a number of shares determined by the Calculation Agent to be equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.

"Specified Financial Centre(s)" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"Specified Interest Amount A" means the amount specified as such in the applicable Final Terms.

"Specified Interest Amount B" means the amount specified as such in the applicable Final Terms.

"Specified Rate of Interest A" means the percentage rate per annum specified as such in the applicable Final Terms.

"Specified Rate of Interest B" means the percentage rate per annum specified as such in the applicable Final Terms.

"Specified Residual Share Amount" means an amount as such specified in the applicable Final Terms.

"Strike Amount" means an amount (expressed as a percentage) specified in the applicable Final Terms.

"Strike Level" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms.

"Strike Price" means, in respect of a Share, the amount specified in the column entitled "Strike Price" in the table set out under "Specific Information relating to the Underlying Asset(s)" in the applicable Final Terms and corresponding to such Share, and if specified in the applicable Final Terms, equal to such percentage of the Initial Price of such Share as specified in the applicable Final Terms.

"Strike Price_{WPS}" means the Strike Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

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

"Subject Currency" means the currency specified as such in the applicable Final Terms.

"Subject Currency Jurisdiction" means the country for which the Subject Currency is the lawful currency.

"Successor Currency Reference Date" means the Exchange Rate Strike Date or such other date specified as such in the applicable Final Terms.

"T" means a value specified in the applicable Final Terms.

"t" means, where "Mandatory Early Exercise" is specified as applicable in the applicable Final Terms, in respect of each Reference Date, a value (which may be zero) specified in the column entitled "t" of the Mandatory Early Exercise Table and corresponding to such Reference Date.

"**Trigger Level**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms.

"**Underlying Asset Linked Interest Commencement Date**" means the date specified as such in the applicable Final Terms.

"**Underlying Asset Linked Interest Notes**" means Index Linked Interest Notes, Share Linked Interest Notes and GDR/ADR Linked Interest Notes.

"**Underlying Asset Linked Interest Payment Date**" means each Scheduled Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date, and each adjusted in accordance with the Business Day Convention as specified in accordance with Part 3A of the Product Conditions, provided that the final Underlying Asset Linked Interest Payment Date shall be the Underlying Asset Linked Interest Payment Date immediately following the Interest Valuation Date (if any) on which an Automatic Early Redemption Event has occurred.

"**Underlying Asset Linked Interest Period**" means the period commencing on, and including, the Underlying Asset Linked Interest Commencement Date and ending on, but excluding, the Scheduled Interest Payment Date corresponding to the first Underlying Asset Linked Interest Payment Date, and (ii) each successive period commencing on, and including, a Scheduled Interest Payment Date and ending on, but excluding, the next following Scheduled Interest Payment Date.

"**Underlying Asset Linked Securities**" means Index Linked Securities, Share Linked Securities, GDR/ADR Linked Securities or Fund Linked Securities.

"v" means a value specified in the applicable Final Terms.

"**Valuation Date**" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"**Weight**" means, in respect of each Asset in an Asset Basket, the amount specified in respect of such Asset in the applicable Final Terms.

"**Weighted Average Performance**" means, in respect of each Asset in an Asset Basket, an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Weight} \times \frac{\text{Final Average Value}}{\text{Initial Value}}$$

"**Worst Performing Asset**" means, in the case where: (a) the Underlying Asset Linked Securities relate to a Basket of Hybrid Assets, in respect of an Asset Basket and any relevant day, the Asset in the Asset Basket with the lower or lowest Asset Performance on such day as determined by the Calculation Agent (provided that if two or more Assets have the same lowest Asset Performance on such day, or, if there are only two Assets in the Asset Basket, and two or more Assets have the same Asset Performance on such day, the Calculation Agent shall determine which of such Assets shall be the Worst Performing Asset for such day in its sole and absolute discretion, and such Asset shall be the Worst Performing Asset), or (b) the Underlying Asset Linked Securities do not relate to a Basket of Hybrid Assets, in respect of any relevant day and:

- (i) a Basket of Indices, the Worst Performing Index;
- (ii) a Basket of Shares, the Worst Performing Share; and

- (iii) a Basket of Fund Shares, the Worst Performing Fund Share.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

1. **Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Index Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Index Linked Securities set out below (the "**Index Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Index Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the Index Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, and the W&C Securities Conditions, in the case of W&C Securities, and the Index Linked Conditions, the Index Linked Conditions shall prevail. References in the Index Linked Conditions to "Security" and "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" and "W&C Securities" as the context admits.

2. **Definitions**

For the purposes of these Index Linked Conditions:

"Averaging Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level or price provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level or price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:
- (i) where the Index Linked Securities relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;
 - (iii) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or
 - (iv) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Index shall be the first succeeding Common Valid Date in relation to such Index. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B)

the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Index Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and "**Common Valid Date**" means a Common Scheduled Trading Day that is not a Disrupted Day for any Index, and on which another Averaging Date does not or is deemed not to occur.

"**Barrier Call Level**" means, in respect of an Index, the level specified as such in the applicable Final Terms for such Index, and if specified in the applicable Final Terms, equal to such percentage of the Initial Level of such Index as specified in the applicable Final Terms.

"**Barrier Call Level (final)**" means, in respect of an Index, the level specified as such in the applicable Final Terms for such Index, and if specified in the applicable Final Terms, equal to such percentage of the Initial Level of such Index as specified in the applicable Final Terms.

"**Barrier Event Determination Day**" means, in respect of each Index:

- (a) if the applicable Final Terms specify that the Barrier Call Event (intraday), Barrier Call Event (final intraday), Barrier Event (intraday) or Barrier Event (final intraday) provisions are applicable, each day on which the level of such Index is published and/or disseminated by the Index Sponsor during the relevant Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Index (and if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring for such Index at any time on any Barrier Event Determination Day, (i) if the applicable Final Terms specify that "Market Disruption Event is not taken into account", the Calculation Agent shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Call Event (intraday) or Barrier Event (intraday) has occurred), or (ii) if the applicable Final Terms specify that "Market Disruption Event is taken into account", the Calculation Agent shall in its sole and absolute discretion determine whether or not a Barrier Call Event (intraday) or Barrier Event (intraday) has occurred on such Barrier Event Determination Day, having regard to the then prevailing market conditions and such other factors as the Calculation Agent considers relevant); or
- (b) if the applicable Final Terms provides that the Barrier Call Event (closing), Barrier Call Event (final closing), Barrier Event (closing), or Barrier Event (final closing) provisions shall apply and:
 - (i) "Observation Period" is specified as applicable, each Scheduled Trading Day which is not a Disrupted Day for such Index falling in the Observation Period and any other date specified as a "Barrier Event Determination Day" in the applicable Final Terms; or
 - (ii) "Observation Period" is specified as not applicable, each date specified as "Barrier Event Determination Day" in the applicable Final Terms.

"**Barrier Event Valuation Time (closing)**" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market

Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the relevant Exchange.

"Barrier Level" means, in respect of an Index, the level specified as such in the applicable Final Terms for such Index, and if specified in the applicable Final Terms, equal to a percentage of the Initial Level of such Index as specified in the applicable Final Terms.

"Barrier Level (final)" means, in respect of an Index, the level specified as such in the applicable Final Terms for such Index, and if specified in the applicable Final Terms, equal to a percentage of the Initial Level of such Index as specified in the applicable Final Terms.

"Basket of Indices" means, subject to adjustment in accordance with these Index Linked Conditions, a basket composed of Indices in their relative proportions or number of Indices, as specified in the applicable Final Terms.

"Common Scheduled Trading Day" means, in respect of a Basket of Indices, each day which is a Scheduled Trading Day for all the Indices in the Basket of Indices.

"Component Security" means, in respect of an Index, any share or other component security included in such Index as determined by the Calculation Agent and related expressions shall be construed accordingly.

"Disrupted Day" means:

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

"Early Closure" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as

the case may be, on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into on the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"Exchange Business Day" means (a) where the relevant Index is specified in the applicable Final Terms to be a Unitary Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (b) where the relevant Index is specified in the applicable Final Terms to be a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

"Final Level" means, in respect of an Index, the Index Closing Level of such Index on the Valuation Date, subject to adjustment in accordance with these Index Linked Conditions.

"Index" and **"Indices"** mean, subject to adjustment in accordance with the Index Linked Conditions, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Index Closing Level" means, in respect of an Index and any relevant date, subject to these Index Linked Conditions, an amount equal to the official closing level (which shall be deemed to be an amount in the Index Currency) of such Index as determined by the Calculation Agent on such date.

"Index Currency" means in respect of an Index, the index currency specified in the applicable Final Terms.

"Index Level" means, in respect of an Index and a time on any day, and subject to these Index Linked Conditions, the level of such Index at such time on such day as determined by the Calculation Agent.

"Index Performance" means, in respect of an Index and any relevant day, an amount determined by the Calculation Agent as being equal to (a) the Index Closing Level of such Index on such day, divided by (b) the Initial Level of such Index.

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

"Initial Level" means, in respect of an Index, the Index Closing Level of such Index on the Strike Date, subject to adjustment in accordance with these Index Linked Conditions.

"Multi-Exchange Index" means any Index for which the "Type of Index" is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each Observation Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day) or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Index Linked Securities relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Observation Cut-Off Date shall be deemed to be such Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of the Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date);
- (b) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the

Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Observation Date falls on the Observation Cut-Off Date for an Index owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Index, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date);

- (c) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if such Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date); or
- (d) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to

be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in each Index for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date).

"Observation Period" means, in respect of an Index:

- (a) if the consequence of "Extension" is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, following adjustment of such date pursuant to these Index Linked Conditions, (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Index Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the consequence of "No Extension" is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Index Linked Conditions (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Index Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

"Observation Period End Date" means, in respect of an Index, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Observation Period Start Date" means, in respect of an Index, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

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

the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

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

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

"Scheduled Trading Day" means in respect of:

- (a) any Unitary Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to be open for trading for their respective regular trading sessions; or
- (b) any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session.

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

"Strike Date" means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for an Index or is a Disrupted Day for an Index: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an "Observation Date", or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date", or (c) if "Strike Date is Adjusted as a Basket Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Observation Date", or (d) if "Strike Date is Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Valuation Date".

"Trade Date" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

"Trading Disruption" means:

- (a) in respect of any Unitary Index, any suspension of, or limitation imposed on, trading by any relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange, or (ii) in futures or options contracts relating to such Index on any relevant Related Exchange; and
- (b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on the Related Exchange.

"Unitary Index" means any Index for which the "Type of Index" is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"Valuation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that

"Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"Valuation Date" means each Valuation Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day) or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Index Linked Securities relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*) below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);
- (b) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-off Date) and the Valuation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);

- (c) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-off Date) and the Valuation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or
- (d) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in each Index for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

"Valuation Time" means:

- (a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (A) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (B) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or

- (b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Worst Performing Index" means, in respect of a Basket of Indices and any relevant day, the Index with the lowest Index Performance on such day as determined by the Calculation Agent (provided that if two or more Indices have the same lowest Index Performance on such day, the Calculation Agent shall determine which Index shall be the Worst Performing Index in its sole and absolute discretion, and such Index shall be the Worst Performing Index).

3. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event (as defined in the Share Linked Conditions in relation to a share) occurs in respect of a Component Security included in the Index at any time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (A) the portion of the level of the Index attributable to such Component Security and (B) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

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

For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if a Market Disruption Event (as

defined in the Share Linked Conditions in relation to a share) occurs in respect of a Component Security at that time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

4. **Barrier Event and Barrier Call Event**

(a) **Barrier Call Event (intraday)**

A "**Barrier Call Event (intraday)**" means (and a Barrier Call Event (intraday) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Level of such Index as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day.

(b) **Barrier Call Event (final intraday)**

A "**Barrier Call Event (final intraday)**" means (and a Barrier Call Event (final intraday) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Level of such Index as of the Barrier Event Valuation Time (intraday) on the Valuation Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Call Level (final) for such Index and such Valuation Date, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Call Level (final) for such Index and such Valuation Date, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Call Level (final) for such Index and such Valuation Date, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Call Level (final) for such Index and such Valuation Date.

(c) **Barrier Event (intraday)**

A "**Barrier Event (intraday)**" means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Level of such Index as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Index and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level for such Index and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Index and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Index and such Barrier Event Determination Day.

(d) **Barrier Event (final intraday)**

A "**Barrier Event (final intraday)**" means (and a Barrier Event (final intraday) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that

the Index Level of such Index as of the Barrier Event Valuation Time (intraday) on the Valuation Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level (final) for such Index and such Valuation Date, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level (final) for such Index and such Valuation Date, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level (final) for such Index and such Valuation Date, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level (final) for such Index and such Valuation Date.

For the purpose of determining whether a Barrier Call Event (intraday), Barrier Call Event (final intraday), Barrier Event (intraday) or Barrier Event (final intraday) has occurred on any day in respect of an Index, the definition of Market Disruption Event specified in Index Linked Condition 3 (*Market Disruption*) shall be amended such that (A) all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (B) in the definition of "Early Closure" appearing in Index Linked Condition 2 (*Definitions*), each reference to "Valuation Time" and "Scheduled Closing Time" shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

(e) Barrier Call Event (closing)

A "**Barrier Call Event (closing)**" means (and a Barrier Call Event (closing) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Closing Level of such Index as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Call Level for such Index and such Barrier Event Determination Day.

(f) Barrier Call Event (final closing)

A "**Barrier Call Event (final closing)**" means (and a Barrier Call Event (final closing) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Closing Level of such Index as of the Barrier Event Valuation Time (closing) on the Valuation Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Call Level (final) for such Index and such Valuation Date, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Call Level (final) for such Index and such Valuation Date, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Call Level (final) for such Index and such Valuation Date, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Call Level (final) for such Index and such Valuation Date.

(g) Barrier Event (closing)

A "**Barrier Event (closing)**" means (and a Barrier Event (closing) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Closing Level of such Index as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Index and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal

to the corresponding Barrier Level for such Index and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Index and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Index and such Barrier Event Determination Day.

(h) Barrier Event (final closing)

A "**Barrier Event (final closing)**" means (and a Barrier Event (final closing) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Closing Level of such Index as of the Barrier Event Valuation Time (closing) on the Valuation Date is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level (final) for such Index and such Valuation Date, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level (final) for such Index and such Valuation Date, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level (final) for such Index and such Valuation Date, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level (final) for such Index and such Valuation Date.

5. **Adjustments and Corrections to an Index**

(a) Consequences of a Successor Index Sponsor or a Successor Index

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

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or contracts and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the Index Sponsor or, if applicable, the Successor Index Sponsor fails to calculate and announce a relevant Index, provided that, in respect of an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Issuer may take the action described in (A) or (B) below:

- (A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Index Linked Securities and, if so, calculate the relevant level or price using, in lieu of a published level for such Index, the level for such Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to the change, failure or cancellation, but using only those securities or

components that comprised such Index immediately prior to that Index Adjustment Event; or

- (B) (1) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 14 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
- (2) in the case of W&C Securities, on giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*), cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 14 (*Notices*) or Holders in accordance with W&C Securities Condition 12 (*Notices*), as applicable, giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(c) Corrections to an Index

If the level of a relevant Index published on any Valuation Date, Observation Date or Averaging Date (or other relevant date, as determined by the Calculation Agent), as the case may be, by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Index Linked Securities (a "**Relevant Calculation**") is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Index Level shall be deemed to be the relevant level for such Index on such Averaging Date, Observation Date or Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant level or price and/or whether the Barrier Event (closing) or Barrier Event (intraday), as the case may be, has been triggered.

(d) Additional Index Adjustment Event

If, on or prior to a Strike Date, Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the Issuer has determined and notified the Calculation Agent that a U.S. Withholding Tax Event has occurred on or prior to such date, then:

- (i) regardless of whether an Index Substitution Event takes place pursuant to the below, the Calculation Agent may make such adjustments or reductions to the Index Closing Level (or any other relevant level) of the relevant Index in respect of the Strike Date, any Valuation Date, any Observation Date, any Averaging

Date or any other relevant date, and/or any adjustment(s), if any, to one or more of any variables relevant to the redemption, cancellation, payment, calculation of any amount payable or other terms of the Securities, as the Calculation Agent determines appropriate to account for the economic effect of such U.S. Withholding Tax Event, including after giving effect to any Index Substitution Event (if any); and/or

- (ii) notwithstanding the Issuer's right to, in the case of Notes, redeem the Notes early at its option pursuant to Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Securities, cancel the W&C Securities at its option pursuant to W&C Securities Condition 8(A), following the occurrence of such U.S. Withholding Tax Event, the Issuer may, at its option, upon notification by the Issuer to the Calculation Agent that it wishes to substitute a Successor Index for the relevant Index (such event, an "**Index Substitution Event**"), determine that the relevant Index shall be replaced by the Successor Index with effect from the date specified by the Issuer and not, in the case of Notes, redeem the Notes early at its option pursuant to Note Condition 6 (*Redemption and Purchase*) nor, in the case of W&C Securities, cancel the W&C Securities at its option pursuant to W&C Securities Condition 8(A), and, following the Index Substitution Event coming into effect, the Calculation Agent may make such adjustments or reductions to the Index Closing Level (or any other relevant level) of the relevant Successor Index in respect of the Strike Date, any Valuation Date, any Observation Date, any Averaging Date or any other relevant date, and/or any adjustment(s), if any, to one or more of any variables relevant to the redemption, cancellation, payment, calculation of any amount payable, or other terms of the Notes or W&C Securities, as the Calculation Agent determines appropriate to account for the economic effect of such Index Substitution Event (if any). The Issuer will notify holders of the occurrence and terms of such Index Substitution Event, in the case of Notes, in accordance with Note Condition 14 (*Notices*) and, in the case of W&C Securities, in accordance with W&C Securities Condition 12 (*Notices*) (the date of such notification, in the case of Notes pursuant to Note Condition 14 (*Notices*) and, in the case of W&C Securities pursuant to W&C Securities Condition 12 (*Notices*), being the "**Index Substitution Event Notification Date**"). The Issuer's determination, in the case of Notes, not to redeem the Notes early and, in the case of W&C Securities, not to cancel the W&C Securities, following a U.S. Withholding Tax Event shall not affect its right to, in the case of Notes, redeem the Notes early for any other tax reasons pursuant to the Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Securities, cancel the W&C Securities for any other tax reason pursuant to W&C Securities Condition 8, at any time during the term of the Notes or W&C Securities, as applicable (whether before, at the same time, or after the occurrence of the U.S. Withholding Tax Event which gave rise to such Index Substitution Event).

Following the occurrence of an Index Substitution Event: (a) in the case of Notes each Noteholder shall have the option, upon such Noteholder giving the Issuer, in accordance with Note Condition 14 (*Notices*), not less than 10 nor more than 30 calendar days' notice from the Index Substitution Event Notification Date to redeem the Notes held by such Noteholder in whole (but not in part), and, the Issuer, upon the expiration of such notice, will redeem such Notes on the Index Substitution Optional Redemption Date and at the Index Substitution Optional Redemption Amount; or (b) in the case of W&C Securities each Holder shall have the option, upon such Holder giving the Issuer, in accordance with W&C Securities Condition 12 (*Notices*), not less than 10 nor more than 30 calendar days' notice from the Index Substitution Event Notification Date to cancel the W&C Securities held by such Holder in whole (but not in part), and, the Issuer, upon the expiration of such notice, will cancel such W&C Securities on the Index Substitution Optional Cancellation Date at the Index Substitution Optional Cancellation Amount.

In the case of Notes the following procedures apply to the election of the option described in paragraph (i) above: if the Note is represented by a Definitive Bearer Note or an Individual Note Certificate and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must deliver:

- (x) in respect of Definitive Bearer Notes, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise (a "**Put Notice**") in the form (for the time being current) obtainable from any specified office of any Paying Agent and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Index Linked Condition 5(d) accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under its control; or
- (y) in respect of Definitive Registered Notes represented by Individual Note Certificates, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly signed and completed Put Notice and in which the Holder must specify a bank account (or, if payment is required by cheque, an address) to which payment is to be made under this Index Linked Condition 5(d) accompanied by the relevant Individual Note Certificate(s) or evidence satisfactory to the Registrar that the Individual Note Certificate(s) will, following delivery of the Put Notice, be held to its order or under its control.

If the Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to, in respect of Global Bearer Notes and Definitive Bearer Notes, the Principal Paying Agent and, in respect of Global Registered Notes and Definitive Registered Notes, the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or the Common Depositary or its nominee or common safekeeper, as the case may be, for them to, in respect of Global Bearer Notes and Definitive Bearer Notes, the Principal Paying Agent and, in respect of Global Registered Notes and Definitive Registered Notes, the Registrar by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or the Registrar, as applicable for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Index Linked Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Index Linked Condition 5(d) and instead to declare such Note forthwith due and payable pursuant to Note Condition 10 (*Events of Default*).

In the case of Certificates, the following procedures shall apply to the election of the option described in paragraph (ii) above: the Holder must deliver by fax or authenticated SWIFT message (confirmed in writing) a duly completed notice of exercise (a "**Put Notice**") in the form set out in the Agency Agreement to (a) in the case of Euroclear/CBL Certificates, Euroclear or Clearstream, Luxembourg with a copy to Merrill Lynch International and the Principal Certificate Agent, (b) in the case of CBF Certificates, the Principal Certificate

Agent with a copy to Merrill Lynch International, (c) in the case of Euroclear France Certificates, the Paris Security Agent with a copy to Merrill Lynch International, (d) in the case of Swedish Certificates, the Swedish Security Agent with a copy to Merrill Lynch International, (e) in the case of Finnish Certificates, the Finnish Security Agent with a copy to Merrill Lynch International, (f) in the case of CREST Certificates, the CREST Agent with a copy to Merrill Lynch International, (g) in the case of Global Certificates, in registered form, the relevant Clearing System and the Luxembourg Certificate Agent with a copy to Merrill Lynch International and (h) in the case of Definitive Registered Certificates, the Registrar with a copy to Merrill Lynch International. Copies of the Put Notice are available at the specified offices of the Agents and the Registrar. Once delivered a Put Notice shall be irrevocable and the Certificates the subject of such notice may not be transferred.

In the case of Warrants, the procedure specified in the relevant paragraph of W&C Securities Condition 23 (*Exercise Rights Warrants*) shall apply to the election of the option described in paragraph (ii) above, provided that for the purposes of this Index Linked Condition 5(d) the words "Settlement Date" and "Actual Exercise Date" shall be deemed to be deleted and replaced with the words "Index Substitution Optional Cancellation Date".

"Index Substitution Optional Cancellation Amount" means, in respect of each W&C Security, the fair market value of the W&C Security less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying hedging arrangement (including any cost of funding in respect of such hedging arrangements) as determined by the Calculation Agent (determined on or after the Index Substitution Event Notification Date) (taking into account, if applicable, any and all adjustments made to the levels of the relevant Index or Successor Index and the terms of the W&C Securities made pursuant to paragraphs (i) and (ii) of Index Linked Condition 5(d) (*Additional Index Adjustment*)).

"Index Substitution Optional Cancellation Date" means, in respect of each W&C Security, a date selected by the Issuer, which shall be not earlier than the fifth Business Day following the Index Substitution Event Notification Date and not later than the 60th calendar day following the Index Substitution Event Notification Date.

"Index Substitution Optional Redemption Amount" means, in respect of each Note, the Market Value less Associated Costs (determined on or after the Index Substitution Event Notification Date) as provided in Note Condition 6(E) (*Early Redemption Amounts*) (taking into account, if applicable, any and all adjustments made to the levels of the relevant Index or Successor Index and the terms of the Notes made pursuant to paragraphs (i) and (ii) of Index Linked Condition 5(d) (*Additional Index Adjustment*)).

"Index Substitution Optional Redemption Date" means, in respect of each Note, a date selected by the Issuer, which shall be not earlier than the fifth Business Day following the Index Substitution Event Notification Date and not later than the 60th calendar day following the Index Substitution Event Notification Date.

"U.S. Withholding Tax Event" means an event with respect to the Notes, as defined in Note Condition 6(B) (*Redemption For Tax Reasons*) and, with respect to the W&C Securities, as defined in W&C Securities Condition 8(A) (*Cancellation For Tax Reasons*).

6. Additional Disruption Events

"Additional Disruption Event" means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation

Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Index Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

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

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Index Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents shall not be deemed an Increased Cost of Hedging.

- (a) If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) give notice to Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, and (A) in the case of Notes, redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or (B) in the case of W&C Securities, cancel the W&C Securities and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED SECURITIES

1. **Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Share Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Share Linked Securities set out below (the "**Share Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Share Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the Share Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, and the W&C Securities Conditions, in the case of W&C Securities, and the Share Linked Conditions, the Share Linked Conditions shall prevail. References in the Share Linked Conditions to "Security" and "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" and "W&C Securities" as the context admits.

2. **Definitions**

For the purposes of these Share Linked Conditions:

"Affected Share Strike Date" means the Strike Date of the relevant Affected Share or any other date specified as such in the applicable Final Terms.

"Averaging Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such

determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:
- (i) where the Share Linked Securities relate to a single Share, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub- paragraph (b)(ii) of the definition of "Valuation Date" below;
 - (iii) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or
 - (iv) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Share shall be the first succeeding Common Valid Date in relation to such Share. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the

Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Share Linked Conditions **"Valid Date"** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and **"Common Valid Date"** means a Common Scheduled Trading Day that is not a Disrupted Day for any Share and on which another Averaging Date does not or is deemed not to occur.

"Barrier Event Determination Day" means, in respect of each Share:

- (a) if the applicable Final Terms specify that the Barrier Event (intraday) provisions are applicable, each day on which the price of such Share is quoted on the relevant Exchange during the relevant Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Share (and, for the avoidance of doubt, if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, (i) if the applicable Final Terms specify that "Market Disruption Event is not taken into account", the Calculation Agent shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred), or (ii) if the applicable Final Terms specify that "Market Disruption Event is taken into account", the Calculation Agent shall in its sole and absolute discretion determine whether or not a Barrier Event (intraday) has occurred on such Barrier Event Determination Day, having regard to the then prevailing market conditions and such other factors as the Calculation Agent considers relevant); or
- (b) if the applicable Final Terms provides that the Barrier Event (closing) provisions shall apply and:
 - (i) "Observation Period" is specified as applicable, each Scheduled Trading Day which is not a Disrupted Day for such Share falling in the Observation Period and any other date specified as a "Barrier Event Determination Day" in the applicable Final Terms; or
 - (ii) "Observation Period" is specified as not applicable, each date specified as "Barrier Event Determination Day" in the applicable Final Terms.

"Barrier Event Valuation Time (closing)" means, in respect of each Share to be valued, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"Barrier Level" means, in respect of a Share, the price specified as such in the applicable Final Terms for such Share, and if specified in the applicable Final Terms, equal to a percentage of the Initial Price of such Share as specified in the applicable Final Terms.

"Basket of Shares" means a basket composed of Shares in their relative proportions or number of Shares, as specified in the applicable Final Terms.

"Cash Settled Securities" means Securities that entitle the holder, upon due exercise and subject to certification of non-U.S. beneficial ownership, to receive from the Issuer, on the Settlement Date, the Cash Settlement Amount.

"Common Scheduled Trading Day" means, in respect of a Basket of Shares, each day which is a Scheduled Trading Day for all the Shares in the Basket of Shares.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

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

"Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

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

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any relevant Related Exchange.

"Final Price" means, in respect of a Share, the Share Closing Price of such Share on the Valuation Date, subject to adjustment in accordance with these Share Linked Conditions.

"Initial Price" means, in respect of a Share, the Share Closing Price of such Share on the Strike Date, subject to adjustment in accordance with these Share Linked Conditions.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each date specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Share Linked Securities relate to a single Share, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date

up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Observation Cut-Off Date shall be deemed to be such Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;

- (b) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions;
- (c) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to and including the Observation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Shares. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Share for which the Observation

Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

"Observation Period" means, in respect of a Share:

- (a) if the consequence of "Extension" is specified in the applicable Final Terms to be applicable, each period commencing on, the Observation Period Start Date, following adjustment of such date pursuant to these Share Linked Conditions (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Share Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the consequence of "No Extension" is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Share Linked Conditions (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Share Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

"Observation Period End Date" means, in respect of a Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Observation Period Start Date" means, in respect of a Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Physical Delivery Notes" means Notes redeemed by physical delivery.

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

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

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

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

"Shares" and **"Share"** mean, subject to adjustment in accordance with these Share Linked Conditions, the shares or a share specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Share Closing Price" means, in respect of a Share and any relevant date, subject to these Share Linked Conditions, an amount equal to the official closing price of such Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.

"Share Company" means, in respect of a Share, the company that has issued such Share.

"Share Performance" means in respect of a Share and any relevant day, an amount determined by the Calculation Agent as being equal to (a) the Share Closing Price of such Share on such day, divided by (b) the Initial Price of such Share, and where the applicable Final Terms specifies "Share Performance is rounded to four decimal places", the amount resulting from such determination shall be rounded to the nearest fourth decimal places, with 0.00005 being rounded upwards.

"Share Price" means, in respect of a Share and a time on any day and subject to these Share Linked Conditions, the price of such Share at such time on such day as determined by the Calculation Agent.

"Share Substitution Criteria" means (and the Share Substitution Criteria shall be deemed to be satisfied if), in respect of a Share and any other relevant share:

- (a) the relevant issuer of such other relevant share belongs to a similar economic sector as the Share Company in respect of such Share; and
- (b) the relevant issuer of such other relevant share has a comparable market capitalisation and international standing as the Share Company in respect of such Share.

"Strike Date" means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for a Share or is a Disrupted Day for a Share: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an "Observation Date", or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date", or (c) if "Strike Date is Adjusted as a Basket Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Observation Date", or (d) if "Strike Date is Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Valuation Date".

"Trade Date" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

"Valuation Cut-Off Date" means:

- (i) the eighth Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall; or
- (ii) where the applicable Final Terms specify "Valuation Cut-Off Date Amendment" is applicable, "Valuation Cut-Off Date" means in respect of:
 - (a) each Fixed Interest Payment Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding such Fixed Interest Payment Date;
 - (b) each Underlying Asset Linked Interest Payment Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding such Underlying Asset Linked Interest Payment Date;
 - (c) the Maturity Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding the Maturity Date,

or, in each case, if earlier, the Common Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding such Fixed Interest Payment Date, Underlying Asset Linked Interest Payment Date or Maturity Date, as applicable, provided that the Valuation Cut-Off Date shall not fall prior to the Scheduled Valuation Date in respect of the Valuation Date immediately preceding such Fixed Interest Payment Date, Underlying Asset Linked Interest Payment Date or Maturity Date, as applicable.

"Valuation Date" means each Valuation Date specified in the applicable Final Terms or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day, (or, where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Share Linked Securities relate to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;
- (b) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Share affected (each an **"Affected Share"**) by the occurrence

of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;

- (c) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Share Linked Securities relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Shares. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Share for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"Valuation Time" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"Worst Performing Share" means, in respect of a Basket of Shares and any relevant day, the Share with the lowest Share Performance on such day, as determined by the Calculation Agent (provided that if two or more Shares have the same lowest Share Performance on such day, the

Calculation Agent shall determine which Share shall be the Worst Performing Share in its sole and absolute discretion, and such Share shall be the Worst Performing Share).

3. **Barrier Event**

- (a) A **"Barrier Event (intraday)"** means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of a Share, the Calculation Agent determines that the Share Price of such Share as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Share and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level for such Share and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Share and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Share and such Barrier Event Determination Day.

For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in Share Linked Condition 4 (*Market Disruption*) shall be amended such that (A) all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (B) in the definition of "Early Closure" appearing in Share Linked Condition 2 (*Definitions*), each reference to "Valuation Time" and "Scheduled Closing Time" shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

- (b) A **"Barrier Event (closing)"** means (and a Barrier Event (closing) shall be deemed to occur if), in respect of a Share, the Calculation Agent determines that the Share Closing Price of such Share as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Share and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level for such Share and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Share and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Share and such Barrier Event Determination Day.

4. **Market Disruption**

"Market Disruption Event" means, in relation to a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time for such Share or (c) an Early Closure.

If the applicable Final Terms specify "Trading Disruption Amendment" is applicable, the definition of "Trading Disruption" in the Share Linked Condition 2 (*Definitions*) shall be deemed to be deleted and replaced with the following:

"Trading Disruption" means any suspension of (including, any suspension as a result of the relevant Exchange announcing a special quotation (*tokubetsu kehai*)) or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or (b) in futures or options contracts relating to the Share on any relevant Related Exchange."

5. **Correction to Share Prices**

If the price of a Share published on any Valuation Date, Observation Date, or an Averaging Date (or other relevant date, as determined by the Calculation Agent) as the case may be, by the relevant Exchange and which is utilised for any calculation or determination made for the purposes of the Notes (a "**Relevant Calculation**") is subsequently corrected and the correction (the "**Corrected Share Price**") published by the relevant Exchange no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Share Price shall be deemed to be the relevant price for such Share on such Averaging Date, Observation Date or Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the relevant price and/or whether the Barrier Event (closing) or Barrier Event (intraday), as the case may be, has been triggered.

6. **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency**

(a) "**Potential Adjustment Event**" means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by a Share Company in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Company or any of its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of a Share Company an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion

determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends stock loan rate or liquidity relative to the relevant Share) and determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

If "**Local Tax Adjustment**" is specified in the applicable Final Terms as being applicable, then, in its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Securities, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event.

"**Local Taxes**" shall mean taxes, duties, and similar charges imposed by the taxing authority of the Local Jurisdiction as specified in the applicable Final Terms.

"**Offshore Investor**" shall mean a holder of Shares who is an institutional investor not resident in the Local Jurisdiction for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of residence of the Issuer or any of its affiliates or agents.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, stating the adjustment to the terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

- (b) "**De-listing**" means, in respect of any relevant Shares:
- (i) in the case where the Exchange is not located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union); or
 - (ii) in the case where the Exchange is located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors).

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

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

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (A) in the case of Cash Settled Securities, the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (B) in the case of Physical Delivery Notes, the Maturity Date and in the case of Physical Delivery W&C Securities the relevant Settlement Date.

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

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

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

- (c) If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

(i) either:

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange and the relevant adjustments may in the case of

adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares; or

- (B) where the applicable Final Terms specify "No adjustments solely for volatility, expected dividends, stock loan rate or liquidity", require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares) and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange. For the avoidance of doubt, Condition 6(c)(i)(A) shall not apply;
- (ii) (A) in the case of Notes, give notice to the Noteholders in accordance with Note Condition 14 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Securities, cancel the W&C Securities by giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*). If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*); or
- (iii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "Options Exchange"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (iv) unless the applicable Final Terms provides that "Share Substitution" shall not be applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be):

- (A) Where the Share Linked Securities relate to a single Share, the Calculation Agent may substitute the share (the "**Substitute Share**") selected by it in accordance with the Share Substitution Criteria in place of such Share (the "**Affected Share**") which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and the Substitute Share will be deemed to be a "Share" and the relevant issuer of such shares, a "Share Company" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the price of the Affected Share on the Affected Share Strike Date, the relevant price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B/C)$$

Where:

"A" is the official closing price of the relevant Substitute Share on the relevant exchange, as determined by the Calculation Agent, on the date that the substitution is effected;

"B" is the price of the Affected Share on the Affected Share Strike Date where such price is defined in the applicable Final Terms for the purposes of calculating any value or determining any amount payable in respect of the Securities; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the date that the substitution is effected.

- (B) Where the Share Linked Securities relate to a Basket of Shares, the Calculation Agent may adjust the basket of Shares to include a share or shares (the "**Substitute Shares**") selected by it in accordance with the Share Substitution Criteria in place of the Share(s) (the "**Affected Share(s)**") which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and the Substitute Shares will be deemed to be "Shares" and the relevant issuer of each such share, a "Share Company" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the price of the Affected Share on the Affected Share Strike Date, the relevant price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B / C)$$

Where:

"A" is the official closing price of the relevant Substitute Share on the relevant exchange, as determined by the Calculation Agent on the date that the substitution is effected;

"B" is the price of the Affected Share on the Affected Share Strike Date where such price is defined in the applicable Final Terms for the purposes of calculating any value or determining any amount payable in respect of the Securities; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the date that the substitution is effected.

The weighting of each Substitute Share in the basket will be equal to the weighting of the relevant Affected Share.

Upon the occurrence of a Merger Event, De-listing, Nationalisation, Insolvency or, if applicable, Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

7. Non-euro Quoted Shares

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

8. Additional Disruption Events

- (a) **"Additional Disruption Event"** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Insolvency Filing, in each case if specified in the applicable Final Terms.

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

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

"Hedging Shares" means the number of Shares that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Share Linked Securities.

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on

the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents shall not be deemed an Increased Cost of Hedging.

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

"Initial Stock Loan Rate" means, in respect of a Share, the Initial Stock Loan Rate specified in relation to such Share in the applicable Final Terms.

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

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

"Maximum Stock Loan Rate" means in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii)
 - (A) in the case of Notes, give notice to Holders in accordance with Note Condition 14 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Securities, give notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*) and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).

- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.
- (d) If the applicable Final Terms provides that "Share Substitution" is applicable, upon the occurrence of an Additional Disruption Event the provisions of Share Linked Condition 6(c)(iv)(A) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) or 6(c)(iv)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) (as is applicable) shall apply in respect of an Additional Disruption Event where any reference to "Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing" in Share Linked Conditions 6(c)(iv)(A) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) and 6(c)(iv)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be replaced by "Additional Disruption Event", and any other relevant references shall be construed accordingly.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR GDR/ADR LINKED SECURITIES

1. **Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to GDR/ADR Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**") the Additional Terms and Conditions for GDR/ADR Linked Securities set out below (the "**GDR/ADR Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to GDR/ADR Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the GDR/ADR Linked Conditions and the applicable Product Conditions. References in the GDR/ADR Linked Conditions to "Security" and "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" and "W&C Securities" as the context admits.

2. **General**

The provisions of Annex 3 – "Additional Terms and Conditions for Share Linked Securities" – shall apply to GDR/ADR Linked Securities; and

- (a) where the applicable Final Terms specifies that "Partial Lookthrough" shall apply to a GDR or ADR as applicable, then the provisions set out in GDR/ADR Linked Condition 4 (*Partial Lookthrough*) shall apply, and, in relation to such GDR or ADR respectively, the provisions of the Share Linked Conditions shall be deemed to be amended and modified as set out in GDR/ADR Linked Condition 4 (*Partial Lookthrough*); or
- (b) where the applicable Final Terms specifies that "Full Lookthrough" shall apply to a GDR or ADR as applicable, then the provisions set out in GDR/ADR Linked Condition 5 (*Full Lookthrough*) shall apply, and, in relation to such GDR or ADR respectively, the provisions of the Share Linked Conditions shall be deemed to be amended and modified as set out in GDR/ADR Linked Condition 5 (*Full Lookthrough*).

3. **Definitions**

For the purposes of these GDR/ADR Linked Conditions:

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

"Depository" means:

- (a) if GDR/ADR Linked Condition 4 (*Partial Lookthrough*) is applicable, the Share Company of the Shares; or
- (b) if GDR/ADR Linked Condition 5 (*Full Lookthrough*) is applicable, the Share Company in respect of the Shares or any successor issuer of the Shares from time to time.

"DR Amendment" means, where specified as applicable to a definition or provision, that the following changes shall be made to such definition or provision: (a) all references to "Shares" shall be deleted and replaced with the words "Shares and/or the Underlying Shares"; and (b) all references to "Share Company" shall be deleted and replaced with the words "Share Company or Underlying Shares Issuer, as appropriate".

"Underlying Shares" means the shares or other securities which are the subject of the Deposit Agreement.

"Underlying Shares Issuer" means the issuer of the Underlying Shares.

4. **Partial Lookthrough**

- (a) The definition of "Potential Adjustment Event" in Share Linked Condition 6(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be amended as follows:
 - (i) the DR Amendment shall be made, provided that an event under (i) to (vii) of the definition of "Potential Adjustment Event" in respect of the Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares;
 - (ii) "." shall be deleted where it appears at the end of (vii) in the definition of "Potential Adjustment Event" and replaced with "; or "; and
 - (iii) the following shall be inserted as provision (viii): "(viii) the making of any amendment or supplement to the terms of the Deposit Agreement."
- (b) In making any adjustment following any Potential Adjustment Event, the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption, exercise or settlement, as the case may be, of the Securities and the Issuer shall:
 - (i) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 14 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (ii) in the case of W&C Securities, on giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*), cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Potential Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).
- (c) If a Potential Adjustment Event specified under (viii) of the definition of "Potential Adjustment Event" (as amended by (a) above) has occurred then the following amendments shall be deemed to be made to the Share Linked Conditions in respect of such Potential Adjustment Event:
 - (i) the words "has a diluting or concentrative effect on the theoretical value of the Shares" shall be deleted and replaced with the words "has an economic effect on the Securities"; and
 - (ii) the words "determines appropriate to account for that diluting or concentrative effect" shall be deleted and replaced with the words "determines appropriate to account for such economic effect on the Securities".
- (d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.
- (e) If (i) a Merger Event occurs in relation to a Share and/or (ii) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in Share Linked

Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).

- (f) Following the declaration by the Underlying Shares Issuer of the terms of any Merger Event or Tender Offer, then in each case where the Calculation Agent makes an adjustment to the Securities the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (g) The definitions of "Nationalisation", "Insolvency" and "De-listing" shall be amended in accordance with the DR Amendment.
- (h) Notwithstanding anything to the contrary in the definition of "De-listing", a De-listing shall not occur in respect of the Underlying Shares if the Underlying Shares are immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.
- (i) If a De-listing Nationalisation or Insolvency occurs in relation to the Underlying Shares or the Underlying Shares Issuer, the Issuer in its sole and absolute discretion may take the action described in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).
- (j) The paragraph in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) which provides as follows: "If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:" shall be deemed to be replaced by " If (x) a Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:".
- (k) Each reference to "Merger Event" in Share Linked Condition 6(c)(i), (ii), (iii) and (iv) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be deemed to be replaced with a reference to "Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated,".
- (l) If Hedging Disruption and Increased Cost of Hedging are specified as being applicable in the applicable Final Terms, the definitions of "Hedging Disruption" and "Increased Cost of Hedging" in Share Linked Condition 8(a) (*Additional Disruption Events*) shall each be amended as follows:
 - (i) the words "any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Securities" shall be deleted and replaced with the words "any Share(s)"; and
 - (ii) the words "any such transaction(s) or asset(s)" shall be deleted and replaced with the words "any Share(s)".
- (m) If Insolvency Filing is specified as being applicable in the applicable Final Terms, the definition of "Insolvency Filing" in Share Linked Condition 8(a) (*Additional Disruption Events*) shall be amended in accordance with the DR Amendment.
- (n) For the avoidance of doubt, where a provision is amended pursuant to this GDR/ADR Linked Condition 4 (*Partial Lookthrough*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Shares or the Underlying Shares Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

5. Full Lookthrough

- (a) The definition of "Potential Adjustment Event" in Share Linked Condition 6(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be amended as follows:
 - (i) the DR Amendment shall be made, provided that an event under (i) to (vii) of the definition of "Potential Adjustment Event" in respect of the Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares;
 - (ii) "." shall be deleted where it appears at the end of (vii) in the definition of "Potential Adjustment Event" and replaced with "; or"; and
 - (iii) the following shall be inserted as provision (viii): "(viii) the making of any amendment or supplement to the terms of the Deposit Agreement."
- (b) In making any adjustment following any Potential Adjustment Event, the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be early redemption, exercise or settlement, as the case may be, of the Securities and the Issuer shall:
 - (i) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 14 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (ii) in the case of W&C Securities, on giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*), cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Potential Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).
- (c) If a Potential Adjustment Event specified under (viii) of the definition of "Potential Adjustment Event" (as amended by (a) above) then the following amendments shall be deemed to be made to Share Linked Condition 6 (*Potential Adjustment Events, Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*) in respect of such Potential Adjustment Event:
 - (i) the words "determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares" shall be deleted and replaced with the words "determine whether such Potential Adjustment Event has an economic effect on the Securities"; and
 - (ii) the words "determines appropriate to account for that diluting or concentrative effect" shall be deleted and replaced with the words "determines appropriate to account for such economic effect on the Securities".
- (d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.
- (e) If (i) a Merger Event occurs in relation to a Share and/or (ii) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer

in its sole and absolute discretion may take the action described in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).

- (f) Following the declaration by the Underlying Shares Issuer of the terms of any Merger Event or Tender Offer in relation to the Underlying Shares, then in each case where the Calculation Agent makes an adjustment to the Securities the Calculation Agent shall (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (g) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.
- (h) If a De-listing, Nationalisation or Insolvency occurs in relation to the Underlying Shares or the Underlying Shares Issuer, the Issuer in its sole and absolute discretion may take the action described in Share Linked Condition 6(c).
- (i) The paragraph in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) which provides as follows: "If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:" shall be deemed to be replaced by " If (x) a Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:".
- (j) Each reference to "Merger Event" in Share Linked Condition 6(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be deemed to be replaced with a reference to "Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated,".
- (k) The definition of any Additional Disruption Event specified as applicable in the applicable Final Terms shall be amended in accordance with the DR Amendment.
- (l) If applicable, the definition of "Hedging Shares" in Share Linked Condition 8(a) (*Additional Disruption Events*) shall be amended in accordance with the DR Amendment.
- (m) For the purpose of determining whether a Market Disruption Event has occurred in respect of the Share, the following amendments shall be deemed to be made to the Share Linked Conditions:
 - (i) each reference to the "Exchange" in the definitions of "Exchange Business Day", "Scheduled Closing Time", "Scheduled Trading Day", "Trading Disruption", "Exchange Disruption" and "Early Closure" shall be deemed to include a reference to the primary exchange or quotation system on which the Underlying Shares are traded, as determined by the Calculation Agent; and
 - (ii) the definitions of "Market Disruption Event", "Trading Disruption", "Exchange Disruption" and "Related Exchange" shall be amended in accordance with the DR Amendment.
- (n) For the avoidance of doubt, where a provision is amended pursuant to this GDR/ADR Linked Condition 5 (*Full Lookthrough*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Shares or the Underlying Shares Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

The terms and conditions applicable to Fund Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Fund Linked Securities set out below (the "**Fund Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Fund Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**"), the Fund Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, or the W&C Securities Conditions, in the case of W&C Securities, and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. References in the Fund Linked Conditions to "Security" and "Securities" shall be deemed to be references to "Note" and "Notes" or "W&C Security" and "W&C Securities" as the context admits.

1. **General Definitions**

"**Trade Date**" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

2. **Provisions relating to Funds other than Exchange Traded Funds**

Fund Linked Conditions 3 (*Definitions (Funds other than Exchange Traded Funds)*), 4 (*Fund Events*) and 5 (*Fund Potential Adjustment Events*) apply in respect of Funds other than Exchange Traded Funds.

3. **Definitions (Funds other than Exchange Traded Funds)**

"**Basket of Funds**" means a basket composed of Funds in the relative proportions or number of Funds, as specified in the applicable Final Terms.

"**Fund**" means, subject to adjustment in accordance with these Fund Linked Securities Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Fund Administrator**" means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

"**Fund Adviser**" means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

"**Fund Documents**" means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

"**Fund Interest**" means, subject to adjustment in accordance with these Fund Linked Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Fund Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"**Fund Service Provider**" means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company,

depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

"Fund Valuation Date" means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"Removal Date" means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

"Removal Value" means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive in cash on the redemption or realisation of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value may, at the sole and absolute discretion of the Calculation Agent, include only such amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

"Scheduled Fund Redemption Valuation Date" means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"Scheduled Fund Valuation Date" means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

4. **Fund Events**

"Fund Event" means the occurrence of each of an Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

- (a) **"Additional Fund Disruption Event"** means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

"Change in Law" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or any of its affiliates or agents acting on its behalf determines in good faith that (A) it has become illegal to hold, acquire or dispose of any Fund Interests, or (B) the Issuer will incur a materially increased cost in performing its obligations under the Fund Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"Fund Hedging Disruption" means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

"Increased Cost of Hedging" means that the Issuer or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Securities, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

- (b) **"Fund Disruption Event"** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:
 - (i) Fund Valuation Disruption: **"Fund Valuation Disruption"** means (A) any continued postponement of any Scheduled Valuation Date due to such Scheduled Valuation Date not being a Scheduled Fund Redemption Valuation Date, (B) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (C) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;
 - (ii) Fund Settlement Disruption: **"Fund Settlement Disruption"** means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).
- (c) **"Fund Extraordinary Event"** means each of the following events:
 - (i) Nationalisation: **"Nationalisation"** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
 - (ii) Insolvency: **"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;

- (iii) Fund Insolvency Event: "**Fund Insolvency Event**" means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (I) above and either (aa) 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 (bb) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen calendar days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;
- (iv) NAV Trigger Event: "**NAV Trigger Event**" means that (A) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (B) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (v) Adviser Resignation Event: "**Adviser Resignation Event**" means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (vi) Fund Modification: "**Fund Modification**" means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (vii) Strategy Breach: "**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;

- (viii) Regulatory Action: "**Regulatory Action**" means (A) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (C) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;
- (ix) Reporting Disruption: "**Reporting Disruption**" means (A) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be; (B) any failure of a Fund to deliver, or cause to be delivered, (I) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (II) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;
- (x) Fund Service Provider Cessation: "**Fund Service Provider Cessation**" means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (xi) Fund Administrator Disruption: "**Fund Administrator Disruption**" means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (xii) Related Agreement Termination: "**Related Agreement Termination**" means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below such that the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/or released by the Fund:

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Final Terms as it determines appropriate to account for the Fund Event, which may include, without limitation,
 - (A) delaying any determination date (including any Valuation Date or Averaging Date) and/or any date on which payment might otherwise

have to be made under the terms of the applicable Final Terms until it determines that no Fund Event exists;

- (B) determining that, in the sole and absolute discretion of the Calculation Agent, one or more Fund Events may continue until or after any scheduled determination dates and/or payment dates as set out in the applicable Final Terms, and thereafter determining to fix any determination date (including any Valuation or Averaging Date) and/or date on which payment should be made, and making payment on such date of such amount as is appropriate, as determined in the sole and absolute discretion of the Calculation Agent, taking into account the Fund Event, and which may be based solely on any amounts of cash that a Hypothetical Investor in the Fund actually received from the Fund during the relevant period or periods (and which may be less than any relevant net asset value published for the Fund, and may be as low as zero);
 - (C) calculating the value of a Fund Interest and/or replacing a Fund Interest (the "**Affected Fund Interest**") with a replacement fund interest (the "**Replacement Fund Interest**") with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) (A) in the case of Notes, on giving notice to the Holders in accordance with Note Condition 14 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Securities, on giving notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*), cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the Fund Event, less the cost to the Issuer and/or any of its affiliates or agents of unwinding any underlying related hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

5. Fund Potential Adjustment Events

"**Fund Potential Adjustment Event**" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of relevant Fund Interests of (I) such Fund Interests or (II) other share capital or securities granting the right to payment

of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (IV) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or
- (e) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other on the theoretical value of relevant Fund Interests.

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, stating the adjustment to any of the terms of the Terms and Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

6. Provisions relating to Exchange Traded Funds

Fund Linked Conditions 7 (*Definitions (Exchange Traded Funds)*), 8 (*Barrier Event*), 9 (*Market Disruption*), 10 (*Potential Adjustment Event*) and 11 (*De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer*) apply to Exchange Traded Funds.

7. Definitions (Exchange Traded Funds)

"**Averaging Cut-Off Date**" means the eighth Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if **"Omission"** is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **"Postponement"** is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **"Modified Postponement"** is specified as applicable in the applicable Final Terms then:
 - (i) where the Fund Linked Securities relate to a single Fund, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Fund, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the **"Scheduled Averaging Date"**) and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;
 - (iii) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the **"Scheduled Averaging Date"**) and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid

Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or

- (iv) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date in relation to such Fund Share. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Fund Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and "**Common Valid Date**" means a Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share and on which another Averaging Date does not or is deemed not to occur.

"**Barrier Event Determination Day**" means, in respect of each Fund Share:

- (a) if the applicable Final Terms specify that the Barrier Event (intraday) provisions are applicable, each day on which the price of such Fund Share is quoted on the relevant Exchange during the relevant Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Fund Share (and, for the avoidance of doubt, if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, (i) if the applicable Final Terms specify that "Market Disruption Event is not taken into account", the Calculation Agent shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred), or (ii) if the applicable Final Terms specify that "Market Disruption Event is taken into account", the Calculation Agent shall in its sole and absolute discretion determine whether or not a Barrier Call Event (intraday) or Barrier Event (intraday) has occurred on such Barrier Event Determination Day, having regard to the then prevailing market conditions and such other factors as the Calculation Agent considers relevant); or
- (b) if the applicable Final Terms provides that the Barrier Event (closing) provisions shall apply and:
 - (i) "Observation Period" is specified as applicable, each Scheduled Trading Day which is not a Disrupted Day for such Fund Share falling in the Observation Period and any other date specified as a "Barrier Event Determination Day" in the applicable Final Terms; or
 - (ii) "Observation Period" is specified as not applicable, each date specified as "Barrier Event Determination Day" in the applicable Final Terms.

"Barrier Event Valuation Time (closing)" means, in respect of each Fund Share to be valued, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"Barrier Level" means, the price specified as such in the applicable Final Terms for such Fund Share, and if specified in the applicable Final Terms, equal to a percentage of the Initial Price of such Fund Share as specified in the applicable Final Terms.

"Basket of Funds" means a basket composed of Fund Shares in their relative proportions or number of Fund Shares, as specified in the applicable Final Terms.

"Common Scheduled Trading Day" means, in respect of a Basket of Funds, each day which is a Scheduled Trading Day for all the Fund Shares in the Basket of Funds.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"ETF" means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an Exchange Traded Fund.

"Exchange" means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

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

"Final Price" means, in respect of a Fund Share, the Fund Share Closing Price of such Fund Share on the Valuation Date, subject to adjustment in accordance with these Fund Linked Conditions.

"Fund Performance" means, in respect of a Fund Share and any relevant day, an amount determined by the Calculation Agent equal to (a) the Fund Share Closing Price of such Fund Share on such day, divided by (b) the Initial Price of such Fund Share.

"Fund Share" means a share of each ETF, and references to **"holder of Fund Shares"** and **"Fund Shareholder"** shall be construed accordingly.

"Fund Share Closing Price" means, in respect of a Fund Share and any relevant date, subject to these Fund Linked Conditions, an amount equal to the official closing price of such Fund Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.

"Fund Share Price" means, in respect of a Fund Share and a time on a Scheduled Trading Day and subject to these Fund Linked Conditions, the price of such Fund Share at such time on such day as determined by the Calculation Agent.

"Initial Price" means, in respect of a Fund Share, the Fund Share Closing Price of such Fund Share on the Strike Date, subject to adjustment in accordance with these Fund Linked Conditions.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each date specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Fund Linked Securities relate to a single Fund, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;
- (b) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an **"Affected Fund Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions;
- (c) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an **"Affected Fund Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled

Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or

- (d) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Fund Shares. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

"Observation Period" means, in respect of a Fund Share:

- (a) if the consequence of "Extension" is specified in the applicable Final Terms to be applicable, each period commencing on, the Observation Period Start Date, following adjustment of such date pursuant to these Fund Linked Conditions (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Fund Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the consequence of "No Extension" is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Fund Linked Conditions (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Fund Linked Conditions (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

"Observation Period End Date" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Observation Period Start Date" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date"

is specified in the applicable Final Terms in respect of such date, or (c) "Basket Observation Date" if "Adjusted as a Basket Observation Date" is specified in the applicable Final Terms in respect of such date, or (d) "Basket Valuation Date" if "Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Related Exchange" means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

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

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

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

"Strike Date" means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for a Fund Share or is a Disrupted Day for a Fund Share: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an "Observation Date", or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date", or (c) if "Strike Date is Adjusted as a Basket Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Observation Date", or (d) if "Strike Date is Adjusted as a Basket Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Basket Valuation Date".

"Underlying Index" means the underlying index specified in the applicable Final Terms.

"Valuation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"Valuation Date" means each Valuation Date specified in the applicable Final Terms, or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately

following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Fund Linked Securities relate to a single Fund, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (b) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for the Affected Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;
- (c) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Fund Linked Securities relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or

more Fund Shares. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

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

"Worst Performing Fund Share" means, in respect of a Basket of Funds and any relevant day, the Fund Share with the lowest Fund Performance on such day, as determined by the Calculation Agent (provided that if two or more Fund Shares have the same lowest Fund Performance on such day, the Calculation Agent shall determine which Fund Share shall be the Worst Performing Fund Share in its sole and absolute discretion, and such Fund Share shall be the Worst Performing Fund Share).

8. **Barrier Event**

- (a) A **"Barrier Event (intraday)"** means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of a Fund Share, the Calculation Agent determines that the Fund Share Price of such Fund Share as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day.

For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in Fund Linked Condition 9 (*Market Disruption*) shall be amended such that (A) all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (B) in subparagraph (b) each reference to "Valuation Time" and "Scheduled Closing Time" shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

- (b) A **"Barrier Event (closing)"** means (and a Barrier Event (closing) shall be deemed to occur if), in respect of a Fund Share, the Calculation Agent determines that the Fund Share Price of any Fund Share as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (i) if specified in the applicable Final Terms that "less than or equal to" shall apply, less than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, (ii) if specified in the applicable Final Terms that "greater than or equal to" shall apply, greater than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, (iii) if specified in the applicable Final Terms that "less than" shall apply, less than the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day, or (iv) if specified in the applicable Final Terms that "greater than" shall apply, greater than the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day.

9. **Market Disruption**

"Market Disruption Event" means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the relevant Fund Share on such Exchange; or
 - (B) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying Index or any relevant successor index; or
 - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or
 - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or
- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,
- (c) which in any such case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (a) the portion of the level of the relevant Underlying Index attributable to that security, and (b) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) in the case of Notes, or W&C Securities Condition 12 (*Notices*) in the case of W&C Securities of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

10. **Potential Adjustment Event**

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;

- (b) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (i) such Fund Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (e) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the Securities and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Note Condition 14 (*Notices*) in the case of Notes or W&C Securities Condition 12 (*Notices*) in the case of W&C Securities, as applicable, stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

11. **De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer**

"De-Listing" means, in respect of a Fund Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

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

"Material Underlying Event" means any of the following:

- (a) the investment objectives and/or policies in respect of the ETF are materially changed;
- (b) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (c) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Issuer in connection with hedging arrangements relating to the Securities are materially reduced or otherwise adversely affected; and/or
- (d) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Securities or any hedging arrangements relating to the Securities,

as determined by the Calculation Agent.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Fund Shares, any (a) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

"Nationalisation" means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

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

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

If a De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b) or (c) below:

- (a) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange;
- (b)
 - (i) in the case of Notes give notice to the Noteholders in accordance with Note Condition 14 (*Notices*), and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount, or
 - (ii) in the case of W&C Securities cancel the W&C Securities by giving notice to Holders in accordance with W&C Securities Condition 12 (*Notices*). If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security, or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security, or Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*); or
- (c) following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) (in the case of Notes) or W&C Securities Condition 12 (*Notices*) (in the case of W&C Securities) stating the occurrence of the Merger Event, Tender Offer, Nationalisation, De-listing, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be.

12. Additional Disruption Events

- (a) "**Additional Disruption Event**" means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) it will incur a materially increased cost in performing its obligations in relation to the Fund Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

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

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents shall not be deemed an Increased Cost of Hedging.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii)
 - (A) in the case of Notes, give notice to Holders in accordance with Note Condition 14 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Securities, give notice to the Holders in accordance with W&C Securities Condition 12 (*Notices*) and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 14 (*Notices*) or W&C Securities Condition 12 (*Notices*), as applicable, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken

in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR PHYSICAL DELIVERY NOTES

1. **Interpretation**

The following provisions (the "**Physical Delivery Note Conditions**") apply to Notes specified as being Physical Delivery Notes in the applicable Final Terms or where Physical Delivery is specified in the applicable Final Terms.

2. **Delivery of Entitlement and Asset Transfer Notices**

In order to obtain delivery of the Entitlement(s) in respect of any Note:

- (a) if such Note is represented by a Global Note, the relevant Holder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent or, in the case of Registered Notes, to the Registrar and the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "**Asset Transfer Notice**"); and
- (b) if such Note is in definitive form, the relevant Holder must deliver to any Paying Agent, with a copy to the Principal Paying Agent or, in the case of Registered Notes, to the Registrar and the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Security Agent.

An Asset Transfer Notice may only be delivered (a) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be or (b) if such Note is in definitive form in writing.

If such Note is in definitive form, such Note must be delivered together with the duly completed Asset Transfer Notice.

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each Note in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities, transfer and/or other taxes or duties (together "**Expenses**") arising from the redemption of the Notes and the delivery of any Entitlement shall be for the account of the relevant Holder and no delivery and/or transfer of any Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

An Asset Transfer Notice must:

- (a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;
- (b) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such Notes on or before the Maturity Delivery Date (as defined below);

- (c) include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;
- (d) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account to be credited with any cash payable by the Issuer, in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amounts;
- (e) certify that the beneficial owner of each Note is not a United States Person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any redemption thereof; and
- (f) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg, a Paying Agent or the Registrar as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified nominal amount of Notes according to its books.

Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Paying Agent or, in the case of Registered Notes, the Registrar, the series number and number of Notes the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each such Note. Upon receipt of such confirmation, the Principal Paying Agent or, in the case of Registered Notes, the Registrar will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Maturity Delivery Date debit the securities account of the relevant Holder with the Notes the subject of the relevant Asset Transfer Notice.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in the Physical Delivery Note Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer and shall be conclusive and binding on the Issuer, the Guarantor and the relevant Holder or in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer and shall be conclusive and binding on the Issuer, the Guarantor and the relevant Holder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, in each case in consultation with the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear, Clearstream, Luxembourg, the relevant Paying Agent or, in the case of Registered Notes, the Registrar, as applicable, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Paying Agents, Euroclear, Clearstream, Luxembourg, the Principal Paying Agent or the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with these Physical Delivery Note Conditions, the "**Maturity Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer, later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Maturity Delivery Date) at the risk of such Holder in the manner provided above. Provided that if in respect of a Note an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent or, in the case of Registered Notes, the Registrar and the Issuer, later than the close of business in each place of receipt on the 90th calendar day following the Cut-off Date the Issuer's obligations in respect of such Note and the Guarantor's obligations in respect of the Guarantee in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Maturity Delivery Date falling after the originally designated Maturity Delivery Date and no liability in respect thereof shall attach to the Issuer or the Guarantor.

Delivery of the Entitlement in respect of the Notes is subject to all applicable laws, regulations and practices in force on the Maturity Delivery Date, and none of the Issuer, the Guarantor or any of its Affiliates or agents, the Paying Agents or the Registrar shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor or any of its Affiliates or agents, the Paying Agents or the Registrar shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Notes.

For such period of time after the Maturity Delivery Date, as any person other than the relevant Holder shall continue to be the legal owner of the securities, obligations or Deliverable Obligations comprising the Entitlement (the "Intervening Period"), none of the Issuer, the Guarantor nor any other such person shall (a) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such Note any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations or Deliverable Obligations during the Intervening Period or (c) be under any liability to the relevant Holder, or any subsequent beneficial owner of such Note in respect of any loss or damage which the relevant Holder, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities, obligations or Deliverable Obligations during such Intervening Period.

Where the Entitlement comprises shares, any dividend or other distribution in respect of such Entitlement will be payable to the party that would receive such dividend or other distribution

according to market practice for a sale of the Share executed on the Maturity Delivery Date and to be delivered in the same manner as the Entitlement. Any such dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Asset Transfer Notice.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered, an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate).

3. **Settlement Disruption Event**

The provisions of this Physical Delivery Note Condition 3 shall apply to Physical Delivery Notes.

If, prior to the delivery of the Entitlement in accordance with these Physical Delivery Note Conditions, a Settlement Disruption Event is subsisting, then the Maturity Delivery Date in respect of such Note shall be postponed until the next Settlement Business Day on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Holder, in accordance with Note Condition 14 (*Notices*). Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Entitlement pursuant to these Physical Delivery Note Conditions. Where delivery of the Entitlement has been postponed as provided in the Physical Delivery Note Conditions the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Holders in accordance with Note Condition 14 (*Notices*).

4. **Failure to Deliver due to Illiquidity**

The provisions of this Physical Delivery Note Condition 4 shall apply to Physical Delivery Notes.

If Failure to Deliver due to Illiquidity is specified as applicable in the applicable Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the "**Affected Relevant Assets**"), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

- (a) subject as provided elsewhere in the Physical Delivery Note Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Delivery Date in accordance with the Physical Delivery Note Conditions; and
- (b) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Note Condition 14 (*Notices*). The Issuer shall give notice (such notice a "**Failure to Deliver Notice**") as soon as

reasonably practicable to the Holders in accordance with Note Condition 14 (*Notices*) that the provisions of this Physical Delivery Note Condition 4 apply.

5. **Option to Vary Settlement**

The provisions of this Physical Delivery Note Condition 5 shall apply to Physical Delivery Notes.

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Note Condition 14 (*Notices*).

6. **Definitions**

For the purposes of these Physical Delivery Note Conditions:

"Cut-Off Date" means the second Business Day prior to the Maturity Delivery Date or such other number of Business Days prior to the Maturity Delivery Date as specified in the applicable Final Terms.

"Disruption Cash Settlement Price" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of such Notes (but not taking into account any interest accrued on such Note and paid pursuant to Note Condition 5 (*Payments*) and Note Condition 6 (*Redemption and Purchase*)) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 calendar days before the date that the Election Notice is given as provided above less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Entitlement" has the meaning given to it in the Product Conditions.

"Entitlement Clearing System" means the Japan Securities Depository Center (JASDEC) or any successor to such clearing system.

"Failure to Deliver Settlement Price" means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets in respect of such Notes on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Settlement Business Day" means any day on which the Entitlement Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Settlement Disruption Event" means an event beyond the control of the Issuer or, if applicable, the Guarantor, as a result of which, in the opinion of the Calculation Agent or, if applicable, the Guarantor, delivery of the Entitlement by or on behalf of the Issuer or the Guarantor, as the case may be, in accordance with the Physical Delivery Note Conditions is not practicable.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR RULE 144A WARRANTS

1. Interpretation

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant shall comprise the terms and conditions of the W&C Securities (the "**W&C Securities Conditions**") and the Additional Terms and Conditions for Rule 144A Warrants set out below (the "**Rule 144A Warrant Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the W&C Securities Conditions and the Rule 144A Warrant Conditions, the Rule 144A Warrant Conditions shall prevail.

Any reference herein to Euroclear and/or Clearstream, Luxembourg or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Registrar or Principal Warrant Agent, as the case may be, from time to time and notified to the Holders in accordance with W&C Securities Condition 12 (*Notices*).

2. Form

Warrants in registered form may be offered and sold in private transactions exclusively in the United States or to, or for the account or benefit of, United States Persons ("**Rule 144A Global Warrant**") in reliance on Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), only to persons who are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") and who are also each a "qualified purchaser" (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"), and the rules thereunder, and who, as a condition to purchasing the Warrants will enter into and remain in compliance with an Investor Representation Letter for the benefit of the Dealer, the Issuer and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer or Guarantor) in which they represent and agree, among other things, to purchase the Warrants for their own account and not with a view to the distribution thereof (each letter, for the benefit of such parties, an "**Investor Representation Letter**"). If specified in the applicable Final Terms, Warrants in registered form may be offered and sold concurrently (a) in the United States or to, or for the account or benefit of, United States Persons, in each case to persons who are QIBs and who are also each a QP, and who, as a condition to purchasing the Warrants will enter into and remain in compliance with an Investor Representation Letter and (b) outside the United States to non-United States Persons in an offshore transaction pursuant to Regulation S under the Securities Act ("**Regulation S/Rule 144A Global Warrant**"). Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants will only be issued in relation to Cash Settled W&C Securities which are either Index Linked Warrants or Share Linked Warrants.

Interests in a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant will be exchangeable, in whole but not in part, for Warrants in definitive registered form ("**Definitive Registered Warrants**") only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (a) in the case of Warrants represented by a Rule 144A Global Warrant held through DTC, either DTC has notified the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global Warrant held through DTC and no alternative clearing system is available, or DTC has ceased to be a "clearing agency" registered under the U.S. Securities Exchange Act of 1934, as amended, and no alternative clearing system is available, (b) in the case of Warrants registered in the name of a nominee of the Common Depositary, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (c) the Issuer or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Warrants held in definitive form. The

Issuer will give notice of any such Exchange Event to the Holders in accordance with W&C Securities Condition 12 (*Notices*).

3. **Definitions**

For the purposes of these Rule 144A Warrant Conditions:

"Brussels Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in Brussels.

"Clearing System" means Euroclear and/or Clearstream, Luxembourg.

"Global Warrant" means a Rule 144A Global Warrant or Regulation S/Rule 144A Global Warrant.

"Luxembourg Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in Luxembourg.

"New York Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in New York City.

4. **Title**

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC, and will be held by the U.S. Warrant Agent as custodian for DTC. In the case of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg, such Warrants will be registered in the name of a nominee for the Common Depositary and will be deposited with the Common Depositary.

Subject to mandatory rules of law, title to Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants will pass by registration of the transfer in the Register maintained by the Registrar in accordance with the provisions of the Agency Agreement. Beneficial ownership of interests in a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant will be determined in accordance with the rules and procedures of DTC, Euroclear or Clearstream, Luxembourg, as applicable.

Subject as set forth in this Rule 144A Warrant Condition 4, each person who is for the time being shown in the records of DTC as the holder of a particular number of Warrants represented by a Rule 144A Global Warrant shall be treated by the Issuer, the Guarantor and any Security Agent as the holder of such number of such Warrants for all purposes (and the expressions **"Holder"** and **"holder of Warrants"** and related expressions shall be construed accordingly). For as long as the Warrants are represented by a Global Warrant held through Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of a Clearing System as the holder of a particular number of Warrants (in which regard any certificate or other document issued by such Clearing System as to the number of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor or the Registrar and any relevant Security Agent as the holder of such number of Warrants for all purposes (and the expressions **"Holder"** and **"holder of Warrants"** and related expressions shall be construed accordingly).

5. **Transfers**

(a) Transfers of Warrants represented by a Global Warrant may only be made in accordance with any applicable rules and regulations of the U.S. Warrant Agent, DTC and each relevant Clearing System, and the following provisions:

- (i) any sales, transfers to or exchanges with a person who takes delivery in the form of Warrants represented by a Regulation S/Rule 144A Global Warrant may only be made if such sale, transfer or exchange is being made either (x) between or

- among non-United States Persons in an offshore transactions pursuant to Regulation S under the Securities Act or (y) by United States Persons to or through the Issuer or the Dealer (I) in the United States to a QIB who is also a QP or (II) to, or for the account or benefit of, a United States Person who is a QIB and who is also a QP, in either case of (I) or (II), who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A, and who enters into and remains in compliance with an Investor Representation Letter; or
- (ii) any sales, transfers to or exchanges with a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant may only be made if such sale, transfer or exchange is being made to or through the Issuer or the Dealer (x) in the United States to a QIB who is also a QP or (y) to, or for the account or benefit of, a United States Person who is a QIB and who is also a QP, in either case, who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A, and who enters into and remains in compliance with an Investor Representation Letter.
- (b) All transactions (which transactions shall include transfers of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant, and transfers of Warrants in definitive form) (a) to a person in the United States or (b) to, or for the account or benefit of, a United States Person, in either case who is a QIB and also a QP and, who takes delivery of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant in the open market or otherwise may only be effected to or through the Issuer or the Dealer, and shall only be effective if, as a condition to such transfer of the Warrants, the transferee enters into and remains in compliance with an Investor Representation Letter (which must be duly executed by such proposed transferee or such transferee's attorney duly authorised in writing at least three New York Business Days prior to the date the transfer of such Warrants is desired).
 - (c) In the case of sales, transfers or exchanges of Global Warrants, the Holder must send:
 - (i) in the case of sales, transfers or exchanges of Warrants represented by a Regulation S/Rule 144A Global Warrant or Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, to Euroclear and/or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Brussels Business Day or Luxembourg Business Day, as the case may be, prior to the date on which the sale, transfer or exchange is to take effect; and
 - (ii) in the case of sales, transfers or exchanges of Warrants represented by a Rule 144A Global Warrant held through DTC, to DTC a free of payment instruction at least two New York Business Days prior to the date on which the sale, transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

On the sale, transfer or exchange date, Euroclear or Clearstream, Luxembourg, or DTC, as the case may be, will debit the account of its transferor-participant and will instruct (a), in the case of sales, transfers to or exchanges with a person who takes delivery of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, the Principal Warrant Agent to credit the relevant account of the transferee-Euroclear or Clearstream, Luxembourg participant, as the case may be, or (b) in the case of sales, transfers to or exchanges with a person who takes delivery of Warrants represented by a Rule 144A Global Warrant held through DTC, the U.S. Warrant Agent to credit the relevant account of the transferee-DTC participant.

- (d) Transfers of beneficial interests in Rule 144A Global Warrants will be effected by DTC, Euroclear or Clearstream, Luxembourg, as specified in the applicable Final

Terms, and, in turn, by participants in and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Rule 144A Global Warrant will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Warrants in definitive form only (a) upon the occurrence of an Exchange Event, (b) in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be, and (c) in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Warrant held through DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. For so long as the Warrants are represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg, all permitted transfers of such Warrants must be effected through an account at Euroclear or Clearstream, Luxembourg.

- (e) Subject as provided in these Rule 144A Warrant Conditions, upon the terms and subject to the conditions set forth in the Agency Agreement, a Warrant in definitive form may be transferred in whole or in part. In order to effect any such transfer, (i) the holder or holders must (A) surrender the Warrant for registration of the transfer of the Warrant (or the relevant part of the Warrant) at the specified office of the Registrar, with a form of transfer duly completed and executed by the person shown as the registered holder on the Register, or its attorney duly authorised in writing and (B) complete and deposit such other certifications or evidence as may be required by the Registrar, the Issuer or the Guarantor and (ii) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Guarantor and the Registrar may from time to time prescribe. Subject to the provisions above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new certificate representing such Warrant in definitive form of the same aggregate amount of the Warrant (or the relevant part of the Warrant) transferred. In the case of the transfer of part only of a Warrant in definitive form, a new certificate representing such Warrant in definitive form in respect of the balance of the Warrant not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. The Registrar shall record such transfer, and make appropriate notations, in the Register to reflect such transfer.
- (f) Any attempted sale, transfer or exchange in which the proposed sale, transfer or exchange was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer or the Guarantor. In addition, if any Security Agent subsequently determines or is subsequently notified by the Issuer that (i) a sale, transfer or exchange, or attempted or purported sale, transfer or exchange, of any interest in a Warrant was consummated on the basis of an incorrect certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, (ii) the holder of any interest in a Warrant was in breach, at the time given, of any representation or agreement set forth in any Investor Representation Letter or any deemed representation or agreement of such holder, or (iii) a sale, transfer or exchange, or attempted sale, transfer or exchange, of any interest in a Warrant was consummated which did not comply with the transfer restrictions set forth in this Rule 144A Warrant Condition 5 the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

6. Exercise Rights

(A) American Style Warrants

If Automatic Exercise is not specified in the applicable Final Terms, in the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, any such American Style Warrants with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, in the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date and the provisions of Rule 144A Warrant Condition 8 (*Automatic Exercise*) shall apply.

In the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, (a) the Exercise Business Day immediately succeeding the New York Business Day on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the U.S. Warrant Agent and a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent, or (b), if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised on the Expiration Date as provided above, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the U.S. Warrant Agent, or if a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent, after 5.00 p.m., New York City time, on any New York Business Day, such Exercise Notice will be deemed to have been given on the next New York Business Day and the Exercise Business Day immediately succeeding such next New York Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrants in respect of which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii), if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

In the case of American Style Warrants represented by a Rule 144A Warrant held through Euroclear or Clearstream, Luxembourg or a Regulation S/Rule 144 Warrant, the provisions of W&C Securities Condition 23 (*Exercise Rights (Warrants)*) shall apply.

(B) European Style Warrants

In the case of European Style Warrants represented by a Rule 144A Global Warrant held through DTC, if Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date and the provisions of Rule 144A Warrant Condition 8 (*Automatic Exercise*) shall apply.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

In the case of European Style Warrants represented by a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg or a Regulation S/Rule 144A Warrant, the provisions of W&C Securities Condition 23 (*Exercise Rights (Warrants)*) shall apply.

7. Exercise Procedure

(A) Warrants represented by a Rule 144A Global Warrant held through DTC

Warrants represented by a Rule 144A Global Warrant held through DTC may only be exercised by delivery through computerised exercise instruction through DTC (via its "Deposit and Withdrawal at Custodian" or "DWAC" function) of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the Security Agents) to the U.S. Warrant Agent with a copy to the Principal Warrant Agent and Merrill Lynch International, in accordance with the provisions set out in Rule 144A Warrant Condition 6 (*Exercise Rights*) and this Rule 144A Warrant Condition 7.

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, the Exercise Notice shall:

- (i) specify the series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the designated account at the U.S. Warrant Agent (or such other account or bank as may be specified by the U.S. Warrant Agent) to be debited with the Warrants being exercised;
- (iii) irrevocably instruct the U.S. Warrant Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the U.S. Warrant Agent by means of DTC's DWAC function;
- (iv) specify the designated account at the U.S. Warrant Agent (or at such other account or bank as may be specified by the U.S. Warrant Agent) to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;
- (v) include an undertaking to pay all Expenses and an authority to the U.S. Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the U.S. Warrant Agent (or at such other account or bank as may be specified by the U.S. Warrant Agent) in respect thereof and to pay such Expenses;
- (vi) include a certification that each beneficial owner is a QIB and a QP; and
- (vii) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

Upon receipt of an Exercise Notice, the U.S. Warrant Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of DTC. Subject thereto, the U.S. Warrant Agent shall notify the Issuer of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount of each Warrant being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants held through DTC, the U.S. Warrant Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the redemption pro tanto of the Warrants so exercised.

The Issuer, through the Principal Warrant Agent, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the

case may be, to the designated account at the U.S. Warrant Agent (or at such other account or bank as may be specified by the U.S. Warrant Agent). In such case, as promptly as practicable thereafter, and provided that the U.S. Warrant Agent is satisfied that delivery to it of funds sufficient to pay the Cash Settlement Amount will be made, the U.S. Warrant Agent will cause the Cash Settlement Amount to be credited to the Holder's account with the U.S. Warrant Agent less any Expenses.

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the U.S. Warrant Agent in consultation with the Principal Warrant Agent in the case of Warrants represented by a Rule 144A Global Warrant held through DTC, and shall be conclusive and binding on the Issuer, the relevant Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent and Merrill Lynch International immediately after being delivered or sent to the U.S. Warrant Agent, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the U.S. Warrant Agent in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the U.S. Warrant Agent and copied to the Principal Warrant Agent and Merrill Lynch International.

If Automatic Exercise is not specified in the applicable Final Terms, any Warrants with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Rule 144A Warrant Condition 6(A) (*American Style Warrants*), in the case of American Style Warrants, or Rule 144A Warrant Condition 6(B) (*European Style Warrants*), in the case of European Style Warrants, shall become void.

The U.S. Warrant Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Security Agents or DTC, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(B) *Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg*

In respect of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, the provisions of W&C Securities Condition 24(A)(a)(1) (*Warrants represented by a Euroclear/CBL Global Warrant*) in respect of Cash Settled Warrants shall apply except that sub-paragraph (v) shall be amended by the addition of the following after the words "certify, *inter alia*", "either (i) that the beneficial owner of each Warrant being exercised is a QIB/QP (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as set out in the applicable Final Terms, or (ii)".

8. **Automatic Exercise**

Automatic Exercise will apply to Warrants represented by a Rule 144A Global Warrant held through DTC if specified to be applicable in the applicable Final Terms.

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, in order to receive the Cash Settlement Amount, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must deliver through computerised exercise instruction through DTC (via its DWAC function) a duly completed Exercise Notice to the U.S. Warrant Agent with a copy to Merrill Lynch International and the Principal Warrant Agent on any New York Business Day until not later

than 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-off Date (as defined in W&C Securities Condition 24(E) (*Automatic Exercise*)).

The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Rule 144A Warrant Condition 7(A). The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the U.S. Warrant Agent and a copy thereof delivered to Merrill Lynch International and the Principal Warrant Agent is referred to in this Rule 144A Warrant Condition 8 as the "Exercise Notice Delivery Date", provided that if the Exercise Notice is delivered to the U.S. Warrant Agent at or after 5.00 p.m., New York City time on a New York Business Day, the Exercise Notice Delivery Date shall be deemed to be the next succeeding New York Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fourth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Rule 144A Warrant Condition 8 prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-off Date, the Issuer's obligations in respect of such Rule 144A Warrants and the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor.

9. Purchases

Warrants represented by a Rule 144A Global Warrant purchased by the Issuer, the Guarantor or any of their Affiliates pursuant to W&C Securities Condition 10 (*Purchases*) may only be resold pursuant to Rule 144A or Regulation S.

10. Additional Amounts

In respect of Warrants represented by a Rule 144A Global Warrant held through DTC, the provisions of Part 3B of the Product Conditions shall apply except that references therein to "relevant Clearing Systems" shall be replaced by "DTC".

11. U.S. Warrant Agent

The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the U.S. Warrant Agent and to appoint further or additional Security Agents as provided in W&C Securities Condition 11 (*Agents, Determinations, Modifications and Meeting Provisions*), provided that, so long as any of the Warrants are represented by a Rule 144A Global Warrant held through DTC, there shall be a U.S. Warrant Agent.

12. Notices

For so long as the Warrants are represented by a Rule 144A Global Warrant held through DTC, the reference in the first paragraph of W&C Securities Condition 12 (*Notices*) to "each Clearing System" shall be replaced by "DTC".

13. Substitution of the Issuer

The Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant any company, being BAC or any of its other subsidiaries as provided in W&C Securities Condition 15 (*Substitution of the Issuer, Consolidation and Merger*), provided that the Substitute and the Warrants satisfy all the applicable requirements of Rule 144A.

FORM OF GUARANTEE

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, **BANK OF AMERICA CORPORATION**, a corporation duly organised and existing under the laws of the State of Delaware ("**BAC**"), hereby unconditionally and irrevocably guarantees (the "**Guarantee**") to the holders (the "**Holders**") of Warrants and Certificates issued on or after the date hereof by Merrill Lynch International & Co. C.V., a limited partnership of unlimited duration incorporated under the laws of Curaçao ("**MLICo.**"), and Notes and Certificates issued on or after the date hereof by Merrill Lynch B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands ("**MLBV**" and, together with MLICo., the "**Issuers**" and each, an "**Issuer**"), in each case under the terms of the Agency Agreement dated 11 March 2013 (as the same may be further amended, supplemented and/or restated in accordance with the terms thereof, the "**Agency Agreement**") among BAC, MLICo., MLBV and the Agents (as defined therein):

- (i) the due and punctual payment by the relevant Issuer of any and all amounts payable by such Issuer as obligor in respect of each Security (as defined below); and/or
- (ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the relevant Issuer in respect of each Security, if applicable,

when and as the same shall become due and payable or when the same shall become due for delivery, as the case may be, pursuant to the terms of the Securities issued on or after the date hereof.

Warrants and Certificates are herein referred to as "**W&C Securities**" and Notes and W&C Securities are herein referred to as "**Securities**".

Notwithstanding that under the terms of the Securities either (i) the relevant Issuer has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to a Holder or (ii) a Holder has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to it or (iii) the relevant Issuer is obligated to deliver non-cash consideration to Holders when the same shall become due and deliverable, BAC shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the Holders of such Securities when the same shall become due and deliverable, but, in lieu thereof, to pay an amount in cash equal to the Guaranteed Cash Settlement Amount (calculated pursuant to the terms of, or as specified in, the Terms and Conditions or Securities Note (if applicable) prepared with respect to such Securities). Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of BAC's obligations in respect of such Securities.

Subject as provided above, in case of the failure of the relevant Issuer punctually to make any such payment or to perform any such delivery obligation, at the time and in the manner required under the terms and conditions of the relevant Securities, BAC hereby agrees to make such payment or to perform such delivery obligation, as the case may be, or cause such payment to be made or to cause such delivery obligation to be performed, as the case may be, promptly upon demand in accordance with the terms of the relevant Securities; such demand must be made by the relevant Holder by the giving of written notice of such demand to BAC at Bank of America Corporation, Bank of America Corporate Center, Attention: Corporate Treasury—Global Funding Transaction Management, NC1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255, U.S.A., with a copy sent to BAC at Bank of America Corporation, Legal Department, Attention: General Counsel, NC1-027-20-05, 214 North Tryon Street, Charlotte, North Carolina 28255, U.S.A.; provided however, that delay in making such demand shall in no event affect BAC's obligations under this Guarantee. This Guarantee shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any payment or delivery guaranteed hereunder, in whole or in part, is rescinded or must otherwise be returned by a Holder upon the insolvency, bankruptcy or reorganisation of the relevant Issuer or otherwise, all as though such payment or delivery had not been made.

BAC covenants in favour of each Holder who is a United States Alien or a Netherlands Non-resident that it will duly perform and comply with the obligations expressed to be undertaken by it in Note Condition 8(A). In particular, if in respect of any payment to be made under this Guarantee, any deduction or withholding for or on account of any present or future tax, assessment or other

governmental charge of whatever nature is imposed, BAC shall pay the additional amounts referred to in Note Condition 8(A), all subject to and in accordance with the provisions of Note Condition 8.

BAC hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability (except as may result from any applicable statute of limitations) of any Security; the absence of any action to enforce the same; any waiver or consent by the Holder concerning any provisions thereof; the rendering of any judgement against the relevant Issuer or any action to enforce the same; any change in the relevant Issuer's name, or any reorganisation (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of that Issuer or its business; any consent by the relevant Issuer to judicial proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition, reorganisation or other similar laws; any incapacity or lack or limitations of power, authority or legal personality of the relevant Issuer or of that Issuer's managing directors, managers, partners or agents, or any irregularity, defect or infirmity of the Securities; or any other circumstances that might otherwise constitute a legal or equitable discharge of a guarantor or a defence of a guarantor. BAC covenants that, subject as provided below, this Guarantee will not be discharged except by complete payment of the amounts payable under each Security and/or the complete performance of any obligation with respect to physical delivery to be performed under each Security, as applicable. This Guarantee shall continue to be effective if the relevant Issuer merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist.

BAC hereby waives diligence, presentment, protest, notice of protest, acceleration, dishonour, filing of claims with any court in the event of insolvency or bankruptcy of the relevant Issuer, all demands whatsoever, except as noted above with respect to demand made by the relevant Holder in accordance with the terms of the relevant Securities, and any right to require a proceeding first against the relevant Issuer.

BAC hereby represents and warrants that this Guarantee constitutes the valid and binding obligation of BAC and is enforceable in accordance with its terms.

The obligations of BAC under this Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, rank *pari passu* with its other present and future unsecured and unsubordinated contractual obligations.

This Guarantee shall not be valid or become obligatory for any purpose with respect to any Security until (i) in the case of a Security other than a Swedish Security, a Swedish Note, a Finnish Security or a CREST Security, the Global W&C Security, the Global Note, the Definitive Bearer Note, the Definitive Bearer Certificate, the Individual Note Certificate or the individual certificate, as applicable, representing such Security shall have been authenticated as provided in the Agency Agreement; (ii) in the case of a Swedish Security or Swedish Note, the issue of such Swedish Security or Swedish Note, as applicable, has been duly registered in the book-entry system of the Swedish CSD; (iii) in the case of a Finnish Security, the issue of such Finnish Security has been duly registered in the book-entry system of Euroclear Finland; or (iv) in the case of a CREST Security, the issue of such CREST Security has been duly registered in the Record of the CREST Agent and notified to the Operator.

Terms and expressions defined in the Agency Agreement and the applicable Conditions shall have the same meanings when used in this Guarantee, except where the context otherwise requires.

This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed in the State of New York.

The Securities are governed by, and construed in accordance with, English law, and the Issuers have submitted to the exclusive jurisdiction of the English courts for the purposes of determining any legal action or proceeding relating thereto. BAC has not submitted to the jurisdiction of the English courts for any such purpose, and any legal action or proceedings arising out of or relating to this Guarantee shall be subject to the exclusive jurisdiction of the U.S. federal court in the Borough of Manhattan in the City and State of New York.

This Guarantee may be terminated at any time by written notice by BAC to the Issuers, and shall be effective upon receipt of such notice by the Issuers or such later date as may be specified in such notice; provided, however, that this Guarantee shall continue in full force and effect with respect to any

payment or delivery obligation of the Issuers under the Securities covered by this Guarantee already in issue at the date of such termination becoming effective or the Conditions relating thereto arising prior to the effectiveness of such notice of termination.

IN WITNESS WHEREOF, BAC has caused this Guarantee to be executed in its corporate name by its duly authorised representative effective as of 11 March 2013.

BANK OF AMERICA CORPORATION

By: _____

Name: _____

Title: _____

BOOK-ENTRY CLEARING SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France, Euroclear Finland, or Euroclear Sweden (together, the "**Book-Entry Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book Entry Clearing System. Neither the relevant Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised MLICo. that DTC, the world's largest securities depository, is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over

3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Rule 144A Global Warrants held through DTC among Direct Participants on whose behalf it acts with respect to Warrants accepted into DTC's book-entry settlement system ("**DTC Warrants**") as described below and receives and transmits payments on DTC Warrants. Direct Participants and Indirect Participants with which beneficial owners of DTC Warrants ("**Beneficial Owners**") have accounts with respect to the DTC Warrants similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Warrants through Direct Participants or Indirect Participants will not possess definitive Warrants, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect to the DTC Warrants.

Purchases of DTC Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Warrants on DTC's records. The ownership interest of each actual purchaser of each DTC Warrants being a Beneficial Owner, is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Warrants are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not

receive certificates representing their ownership interests in DTC Warrants, except in the event that use of the book-entry system for the DTC Warrants is discontinued.

To facilitate subsequent transfers, all DTC Warrants deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Warrants with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect changes in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Under certain circumstances DTC will exchange the DTC Warrants for definitive Warrants, which it will distribute to its Participants in accordance with their proportionate entitlements. Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Warrants to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Securities, may be limited in its ability to effect such a pledge.

The information in this section concerning DTC and DTC's book-entry systems has been obtained from sources that MLICo. believes to be reliable, but MLICo. takes no responsibility for the accuracy thereof.

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear France and Euroclear Finland is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855, Luxembourg, the address of Clearstream, Frankfurt is Mergenthalerallee 61, 65760, Eschborn, Germany, the address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France, and the address of Euroclear Finland is P.O. Box 1110, 00101 Helsinki, Finland.

Euroclear Sweden

Euroclear Sweden is a subsidiary within the Euroclear group of companies and a limited liability company incorporated in Sweden. It is authorised and regulated by the Swedish Financial Supervisory Authority as a central securities deposit within the meaning of the Swedish Financial Instruments Accounts Act (1998:1479 (as amended)) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528 (as amended)).

Swedish Notes and Swedish Securities will be issued in registered, uncertificated and dematerialised book-entry form with Euroclear Sweden in accordance with the Swedish CSD Rules. No physical notes, certificates or other physical instruments (whether in global, temporary or definitive form) will be issued in respect of the Swedish Securities or Swedish Notes other than as specifically allowed in the Terms and Conditions of the Notes and the Terms and Conditions of the W&C Securities.

All transactions relating to the Swedish Securities or Swedish Notes (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations. Consequently, in order to effect such entries Holders must establish a book-entry account through a credit institution or a securities firm acting as an account operator with Euroclear Sweden. More information regarding Euroclear Sweden and its rules and operating procedures can be found at its internet web site at <http://www.euroclear.eu>.

Book-entry Ownership of and Payments in respect of DTC Warrants

If a Rule 144A Global Warrant is to be registered in the name of a nominee of DTC, MLICo. will apply to DTC in order to have the Warrants represented by such Rule 144A Global Warrant accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Warrant to be held through DTC, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Warrant to the accounts of persons who have accounts with DTC, and who have signed and delivered to MLICo. a Custodian Letter in the form set out in schedule 17 to the Agency Agreement. Ownership of beneficial interests in any such Rule 144A Global Warrant will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in any such Rule 144A Global Warrant held through DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Rule 144A Global Warrant registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Warrant. In the case of any payment in a currency other than U.S. dollars, payment will be made to the U.S. Warrant Agent on behalf of DTC's nominee and the U.S. Warrant Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global Warrant held through DTC in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

MLICo. expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. MLICo. also expects that payments by Participants to Beneficial Owners of Warrants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Security Agent, the U.S. Warrant Agent or MLICo. Payments on Warrants to DTC is the responsibility of MLICo.

Transfers of Securities Represented by Global Securities

Transfers of any interests in Securities represented by a Global Warrant within DTC or a Global Security or Global Note within Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear France will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Warrants represented by a Global Warrant to such persons may depend upon the ability to exchange such Warrants for Warrants in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Warrants represented by a Global Warrant to pledge such Warrants to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Warrants may depend upon the ability to exchange such Warrants for Warrants in definitive form. The ability of any person having a beneficial interest in Warrants represented by a Global Warrant to resell, pledge or otherwise transfer such Warrants may be impaired if the proposed transferee of such

Warrants is not eligible to hold such Warrants through a Direct or Indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants described under "Notice to Purchasers and Holders of Securities and Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear, Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Principal Security Agent, the U.S. Warrant Agent and any custodian ("**Custodian**") with whom the relevant Global Warrants have been deposited.

On or after the Issue Date for any Securities, transfers of such Securities between accountholders in Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear France and transfers of such Securities between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear, Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear, Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Warrants will be effected through the Principal Security Agent, the U.S. Warrant Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear, Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The Warrants will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Securities and Global Notes, as the case may be, among participants and accountholders of DTC, Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, BAC, the Security Agents or any Dealer will be responsible for any performance by DTC, Euroclear, Clearstream, Luxembourg or Clearstream, Frankfurt or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Securities represented by Global Securities or Global Notes, as the case may be, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

**NOTICE TO PURCHASERS AND HOLDERS OF SECURITIES AND TRANSFER
RESTRICTIONS**

As a result of the following restrictions, purchasers of Securities are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities.

Notes and Certificates

None of the Notes or Certificates of any series, the Guarantee of BAC, or certain of the Entitlements (if any) with respect thereto, have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any U.S. state securities laws. No Notes or Certificates of any series, or interests therein, or Entitlements with respect thereto may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States of America (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or directly or indirectly offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered to, or for the account or benefit of, any United States Person. "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S ("**Regulation S**") under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended and in U.S. Treasury regulations. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery of any Notes or Certificates made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person will not be recognised.

Any person purchasing Notes or Certificates of any series will be deemed on purchase to represent, acknowledge, certify and agree with the Issuer, the Dealer or the seller of such Notes or Certificates for itself and any person for whose account such Notes or Certificates are being purchased that:

- (i) it is not a United States Person and it is not located in the United States and was not solicited to purchase the Notes or Certificates, as applicable, while present in the United States;
- (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Notes or Certificates, as applicable, of such series so purchased in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of any, United States Person;
- (iii) it is not purchasing any Notes or Certificates, as applicable, of such series for the account or benefit of any United States Person;
- (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Notes or Certificates, as applicable, of such series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person;
- (v) prior to the delivery of any Entitlement in respect of a Security settled by Physical Delivery (a "**Physical Delivery Security**") the holder thereof will be required to represent that, *inter alia*, he is not a United States Person, the Note or Certificate, as applicable, was not exercised on behalf of a United States Person and no cash, no securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a United States Person in connection with any exercise thereof;
- (vi) it acknowledges that the Global Notes and Global Certificates will bear a legend substantially to the following effect unless otherwise agreed to by the applicable Issuer:

"THE SECURITIES REPRESENTED BY THIS GLOBAL SECURITY, THE GUARANTEE AND CERTAIN ENTITLEMENTS (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS. THIS SECURITY, OR ANY INTERESTS THEREIN, MAY NOT BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, REDEEMED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND

OTHER AREAS SUBJECT TO ITS JURISDICTION (THE "**UNITED STATES**") OR DIRECTLY OR INDIRECTLY OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, REDEEMED, TRANSFERRED OR DELIVERED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON. "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(A)(30) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED AND IN U.S. TREASURY REGULATIONS."; and

- (vii) that the relevant Issuers, BAC and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes or Certificates as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Warrants

Restrictions on transfer of all Warrants

None of the Warrants of any series, the Guarantee of BAC or certain of the Entitlements (if any) with respect thereto have been, or will be, registered under the Securities Act or under any U.S. state securities laws. Neither MLICo. nor the Guarantor is registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"). The Warrants may not be offered or sold within the United States or to, or for the account or benefit of, United States Persons (as defined herein) except in private transactions in reliance on Rule 144A ("**Rule 144**") under the Securities Act to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A and who are also each a "qualified purchaser" (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder, and who, as a condition to purchasing the Warrants will enter into and remain in compliance with an Investor Representation Letter for the benefit of the Dealer, the Issuer and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer or Guarantor) ("**Investor Representation Letter**"). Any reoffers, resales, trades, pledges, transfers or deliveries of the Warrants, or any part thereof, offered and sold in reliance on Rule 144A will only be made to or through the Issuer or the Dealer in the United States or to, or for the account or benefit of, a United States Person that is a QIB who also is a QP, and who, as a condition to any such reoffer, resale, trade, pledge, transfer or delivery, will enter into and remain in compliance with an Investor Representation Letter. Warrants may be offered and sold to non-United States Persons (including dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust) in offshore transactions (as defined by Regulation S) pursuant to Regulation S. Any reoffers, resales, trades, pledges, transfers or deliveries of the Warrants, or any part thereof, offered and sold pursuant to Regulation S will only be made outside the United States and to, or for the account or benefit of, non-United States Persons in accordance with Regulation S.

Prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant, the holder thereof will be required to represent that, *inter alia*, he is not a United States Person, the Warrant was not exercised on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any exercise thereof.

Each purchaser of Warrants will, in connection with its purchase of such Warrants, be required to acknowledge, represent and agree, or by its acquisition or purchase of such Warrants be deemed to have acknowledged, represented and agreed, substantially to the following effect (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein) together with, to the extent not set forth below, the acknowledgements, representations and agreements made by such purchaser pursuant to the Investor Representation Letter (substantially in the form of Schedule 16 to the Agency Agreement) executed and delivered in connection with the purchase of Rule 144A Warrants:

- (i) that either:

- (a) in the case of exchange, sale or transfer of a Warrant in the United States or to, or for the account or benefit of, a United States Person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant,
- (1) it is a QIB that is also a QP (a "QIB/QP");
 - (2) it is not a dealer as described in Rule 144A(a)(1)(ii) which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of issuers that are not affiliated with the dealer;
 - (3) it is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan;
 - (4) if it is an investment company excepted from the 1940 Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) thereof with respect to its U.S. holders) and was formed on or before 30 April 1996, it has received the consent of those of its beneficial owners who acquired their interests on or before 30 April 1996 with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the 1940 Act and the rules thereunder;
 - (5) it is acting for its own account, or the account of another entity that meets the requirements of this paragraph (i)(a);
 - (6) it is not an entity that will have invested more than 40 per cent. of its assets in the Issuer's securities after giving effect to the purchase of such Warrants;
 - (7) it is not formed, reformed or recapitalised for the purpose of investing in the Warrants or other securities of the Issuer unless each of its beneficial owners is a QIB/QP who was not so formed;
 - (8) it, and each fund, person or entity who is purchasing or otherwise acquiring the Warrants (or beneficial interests therein), must subscribe for a minimum number of Warrants valued in an amount of at least U.S.\$100,000 (or its equivalent in any other currency);
 - (9) unless otherwise agreed to by the Issuer and the Guarantor and an opinion of counsel or other comfort satisfactory to the Issuer and the Guarantor is delivered which affirms that none of the acquisition, purchase or holding of any Warrant would cause any assets other than the Warrants to be treated as "plan assets" for the purposes of ERISA or any regulation thereunder (or in the case of a governmental, church or non-U.S. plan, any substantially similar federal, state, local or non-U.S. law), it is not, and is not a fiduciary investing assets of or on behalf of, (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA; (ii) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to section 4975 of the Code; or (iii) an entity whose assets include assets of a plan described in (i) or (ii) above by reason of such a plan's investment in the entity under 29 C.F.R. §2510.3-101 as modified by Section 3(42) of ERISA or otherwise; or (iv) a governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code;
 - (10) if it will hold Warrants through DTC, it acknowledges that beneficial interests in the Warrants are held only in book-entry form through the facilities of DTC; and
 - (11) it will provide notice of applicable transfer restrictions to any subsequent transferees; or

- (b) it is outside the United States and is not a United States Person and is acquiring the Warrants in an offshore transaction in compliance with Regulation S;
- (ii) that it understands and acknowledges that neither the Issuer nor the Guarantor has been registered or will be registered as an investment company under the 1940 Act and the Warrants and the Guarantee have not been registered under the Securities Act or any other applicable securities law, are being offered for sale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and may not be offered, sold or otherwise transferred except in compliance with the conditions for transfer set forth in paragraph (ix) below;
- (iii) that it understands and acknowledges that none of the Warrants, the Guarantee or the Underlying Assets constitute, or have been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act of 1936, as amended, and trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act of 1936, as amended;
- (iv) that in issuing Warrants linked to any underlying asset (an "**Underlying Asset**"), the Issuer is not making, and has not made any representations whatsoever as to any such Underlying Asset or any information contained in any document filed by any such issuer of such Underlying Asset with any exchange or with any governmental entity regulating the purchase and sale of securities or the Warrants linked to any Underlying Asset;
- (v) that the Issuer and any affiliate of such Issuer may at the date hereof or at any time hereafter be in possession of information in relation to any issuer of an Underlying Asset which is or may be material in the context of the Warrants linked to any Underlying Asset and which is or may not be known to the general public or the holder. The Warrants linked to any Underlying Asset do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to the holder any such relationship or information (whether or not confidential) and neither the Issuer nor any other affiliate of the Issuer shall be liable to the holder by reason of such non-disclosure. No such information had been used in the selection of any issuer of an Underlying Asset for the Warrants linked to any Underlying Asset;
- (vi) in the case of Share Linked Warrants, that the Issuer and any affiliate of the Issuer may have existing or future business relationships with any issuer of an Underlying Asset (including, but not limited to, lending, depository, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a holder of such Warrants linked to any such Underlying Asset;
- (vii) that the market value of the Warrants linked to any such Underlying Asset may be adversely affected by movements in the value of the Underlying Asset or in currency exchange rates;
- (viii) that the Cash Settlement Amount (if any) in respect of any Warrant may be less than its Issue Price;
- (ix) that, if in the future it decides to reoffer, resell, trade, pledge or otherwise transfer or deliver the Warrants or any beneficial interests in the Warrants, it will do so, only (a) in the case of a transferor who is a United States Person that is a QIB/QP, to or through the Issuer or the Dealer to a person in the United States or to, or for the account or benefit of, a United States person who meets the requirements of paragraph (i)(a) above, and in compliance with Rule 144A under the Securities Act or (b) in the case of a transferor who is not a United States Person, to a person that is not a United States Person and that is acquiring the Warrants in an offshore transaction in compliance with Regulation S under the Securities Act;
- (x) it will, and will require each subsequent Holder to, notify any purchaser of the Warrants from it of the resale restrictions referred to in paragraphs (ii) and (ix) above;
- (xi) that prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant the holder thereof will be required to represent that, *inter alia*, he is not a United States Person,

the Warrant was not exercised on behalf of a United States Person and no cash, no securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a United States Person in connection with any exercise thereof;

- (xii) that Warrants initially offered exclusively (a) in the United States to QIBs/QPs or to, or for the account or benefit of, United States Persons who are QIBs/QPs will be represented by one or more Rule 144A Global Warrants, and that Warrants initially offered (b) in the United States to QIBs/QPs or to, or for the account or benefit of, United States Persons who are QIBs/QPs and concurrently outside the United States in reliance on Regulation S will be represented by one or more Regulation S/Rule 144A Global Warrants;
- (xiii) that it is purchasing the Warrants for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, for each of which it has the authority to make the representations, acknowledgements and agreements set forth herein and in the Investor Representation Letter in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Warrants, and each subsequent holder of the Warrants by its acceptance thereof will agree or will be deemed to agree, to offer, sell, trade, pledge or otherwise transfer or deliver such Warrants, only pursuant to the representations, restrictions and agreements described in the legends following this paragraph. It and any future purchaser acknowledge that each Global Warrant will contain a legend substantially to the following effect:

Rule 144A Global Warrants

"[For inclusion in Rule 144A Global Warrants held through DTC:] [UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY, THE GUARANTEE AND CERTAIN ENTITLEMENTS (IF ANY) RELATING TO THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED IN VIOLATION OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940 ACT**").

THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT IN ACCORDANCE WITH THE CONDITIONS (AS DEFINED BELOW) AND THE AGENCY AGREEMENT (AS DEFINED BELOW), AND IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT. A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM WARRANTS REPRESENTED BY THIS GLOBAL SECURITY ARE TRANSFERRED BY THE TRANSFERRING HOLDER.

THE HOLDER OF ANY WARRANTS, AND THE HOLDER OF ANY BENEFICIAL INTEREST IN THE WARRANTS, REPRESENTED BY THIS GLOBAL SECURITY, AGREES BY ITS ACQUISITION HEREOF FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR THAT ANY BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY

THIS GLOBAL SECURITY MAY BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED ONLY TO OR THROUGH THE ISSUER OR THE DEALER (A) IN ACCORDANCE WITH THE CONDITIONS AND THE AGENCY AGREEMENT, AND IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, AND (B) TO A PERSON IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON (AS DEFINED HEREIN) (i) THAT IS A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**") WITHIN THE MEANING OF SECTION 3(c)(7), AND AS DEFINED IN SECTION 2(a)(51), OF THE 1940 ACT AND THE RULES THEREUNDER; (ii) THAT IS NOT (a) A DEALER DESCRIBED IN RULE 144A(a)(1)(ii) THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED WITH THE DEALER, (b) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY BENEFICIARIES OF THE PLAN, (c) AN INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF WITH RESPECT TO ITS U.S. HOLDERS) AND FORMED ON OR PRIOR TO 30 APRIL 1996, THAT HAS NOT RECEIVED THE CONSENT OF EACH OF ITS BENEFICIAL OWNERS WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE 1940 ACT AND THE RULES THEREUNDER, OR (d) AN ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE ISSUER'S SECURITIES; (iii) THAT WAS NOT FORMED, REFORMED OR RECAPITALISED FOR THE PURPOSE OF INVESTING IN THE WARRANTS OR OTHER SECURITIES OF THE ISSUER UNLESS EACH OF ITS BENEFICIAL OWNERS IS BOTH A QIB AND A QP WHO WAS NOT SO FORMED; (iv) THAT SUBSCRIBES, ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR OTHERWISE ACQUIRING THE WARRANTS (OR BENEFICIAL INTERESTS THEREIN), FOR A MINIMUM NUMBER OF WARRANTS VALUED IN AN AMOUNT OF AT LEAST U.S.\$100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY); (v) THAT WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; (vi) THAT UNLESS OTHERWISE AGREED TO BY THE ISSUER AND THE GUARANTOR AND AN OPINION OF COUNSEL OR OTHER COMFORT SATISFACTORY TO THE ISSUER AND THE GUARANTOR IS DELIVERED WHICH AFFIRMS THAT NONE OF THE ACQUISITION, PURCHASE OR HOLDING OF ANY WARRANT WOULD CAUSE ANY ASSETS OTHER THAN THE WARRANTS TO BE TREATED AS "PLAN ASSETS" FOR THE PURPOSES OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR ANY REGULATION THEREUNDER (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW), IT IS NOT, AND IS NOT A FIDUCIARY INVESTING ASSETS OF OR ON BEHALF OF, (a) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO TITLE I OF ERISA; (b) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE; (c) AN ENTITY WHOSE ASSETS INCLUDE ASSETS OF A PLAN DESCRIBED IN (a) OR (b) ABOVE BY REASON OF SUCH A PLAN'S INVESTMENT IN THE ENTITY UNDER 29 C.F.R. §2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA OR OTHERWISE; OR (d) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE; AND (vii) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE REQUIREMENTS OF CLAUSES (i) THROUGH (vi). FOR THE PURPOSES HEREOF, A "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(a)(30) OF THE CODE AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY SHALL BE REQUIRED TO REPRESENT WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS

SET FORTH ABOVE AND ANY OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS ABOVE AND WILL REQUIRE THE SUBMISSION TO THE DEALER OR THE ISSUER OF A DULY COMPLETED INVESTOR REPRESENTATION LETTER EXECUTED FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR (TOGETHER WITH THEIR RESPECTIVE AFFILIATES AND ANY PERSONS CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH DEALER, ISSUER OR GUARANTOR), IN THE FORM AVAILABLE FROM THE DEALER, THE ISSUER OR THE RELEVANT SECURITY AGENT (AS DEFINED IN THE AGENCY AGREEMENT) WITH RESPECT TO ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY. ANY PURPORTED TRANSFER OF THE WARRANTS, OR ANY INTEREST THEREIN, REPRESENTED BY THIS GLOBAL SECURITY IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND SHALL NOT VEST ANY RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**"), NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE GUARANTOR, THE SECURITY AGENT OR ANY INTERMEDIARY, AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE HOLDER OF ANY WARRANTS AND THE HOLDER OF ANY BENEFICIAL INTERESTS IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM THE RELEVANT CLEARING SYSTEM.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR BY A SECURITY AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THE WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT AND THE 1940 ACT.

NEITHER THE WARRANTS NOR THE GUARANTEE CONSTITUTE, OR HAVE BEEN MARKETED AS, CONTRACTS OF SALE OF A COMMODITY FOR FUTURE DELIVERY (OR OPTIONS THEREON) SUBJECT TO THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**"), AND TRADING IN THE WARRANTS HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE CEA.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REOFFERS, REALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Global Warrants other than Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants

"THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY, THE GUARANTEE AND CERTAIN ENTITLEMENTS (IF ANY) RELATING TO THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED IN VIOLATION OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940**

ACT"). THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF ANY UNITED STATES PERSON (AS DEFINED HEREIN).

THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT TO A PERSON WHO IS NOT A UNITED STATES PERSON AND WHO IS ACQUIRING THE SECURITIES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. FOR THE PURPOSES HEREOF, "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(a)(30) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH IN THE PRECEDING SENTENCE AND ANY OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS IN THE PRECEDING SENTENCE. CONSEQUENTLY, ANY OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY, TRANSFER, EXERCISE OR REDEMPTION MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL INVEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Regulation S/Rule 144A Global Warrants

"THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY, THE GUARANTEE AND CERTAIN ENTITLEMENTS (IF ANY) RELATING TO THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED IN VIOLATION OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940 ACT**").

THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT IN ACCORDANCE WITH THE CONDITIONS (AS DEFINED BELOW) AND THE AGENCY AGREEMENT (AS DEFINED BELOW), AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY REGULATION S OR RULE 144A THEREUNDER. A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM WARRANTS

REPRESENTED BY THIS GLOBAL SECURITY ARE TRANSFERRED BY THE TRANSFERRING HOLDER.

THE HOLDER OF ANY WARRANTS, AND THE HOLDER OF ANY BENEFICIAL INTEREST IN THE WARRANTS, REPRESENTED BY THIS GLOBAL SECURITY, AGREES BY ITS ACQUISITION HEREOF FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR THAT ANY BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY MAY BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED ONLY IN ACCORDANCE WITH THE CONDITIONS AND THE AGENCY AGREEMENT AND (1) IN THE CASE THAT THE TRANSFEROR IS NOT A UNITED STATES PERSON (AS DEFINED HEREIN), TO A PERSON THAT IS NOT A UNITED STATES PERSON AND THAT IS ACQUIRING THE WARRANTS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; OR (2) IN THE CASE THAT THE TRANSFEROR IS A UNITED STATES PERSON WHO IS A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**") WITHIN THE MEANING OF SECTION 3(c)(7), AND AS DEFINED IN SECTION 2(a)(51), OF THE 1940 ACT AND THE RULES THEREUNDER, TO OR THROUGH THE ISSUER OR THE DEALER (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT AND (B) TO A PERSON IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON (i) THAT IS A QIB AND A QP; (ii) THAT IS NOT (a) A DEALER DESCRIBED IN RULE 144A(a)(1)(ii) THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED WITH THE DEALER, (b) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY BENEFICIARIES OF THE PLAN, (c) AN INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF WITH RESPECT TO ITS U.S. HOLDERS) AND FORMED ON OR PRIOR TO 30 APRIL 1996, THAT HAS NOT RECEIVED THE CONSENT OF EACH OF ITS BENEFICIAL OWNERS WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE 1940 ACT AND THE RULES THEREUNDER, OR (d) AN ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE ISSUER'S SECURITIES; (iii) THAT WAS NOT FORMED, REFORMED OR RECAPITALISED FOR THE PURPOSE OF INVESTING IN THE WARRANTS OR OTHER SECURITIES OF THE ISSUER UNLESS EACH OF ITS BENEFICIAL OWNERS IS BOTH A QIB AND A QP WHO WAS NOT SO FORMED; (iv) THAT SUBSCRIBES, ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR OTHERWISE ACQUIRING THE WARRANTS (OR BENEFICIAL INTERESTS THEREIN), FOR A MINIMUM NUMBER OF WARRANTS VALUED IN AN AMOUNT OF AT LEAST U.S.\$100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY); (v) THAT WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; (vi) THAT UNLESS OTHERWISE AGREED TO BY THE ISSUER AND THE GUARANTOR AND AN OPINION OF COUNSEL OR OTHER COMFORT SATISFACTORY TO THE ISSUER AND THE GUARANTOR IS DELIVERED WHICH AFFIRMS THAT NONE OF THE ACQUISITION, PURCHASE OR HOLDING OF ANY WARRANT WOULD CAUSE ANY ASSETS OTHER THAN THE WARRANTS TO BE TREATED AS "PLAN ASSETS" FOR THE PURPOSES OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR ANY REGULATION THEREUNDER (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW), IT IS NOT, AND IS NOT A FIDUCIARY INVESTING ASSETS OF OR ON BEHALF OF, (a) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO TITLE I OF ERISA; (b) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE; (c) AN ENTITY WHOSE ASSETS INCLUDE ASSETS OF A PLAN DESCRIBED IN (a) OR (b) ABOVE BY REASON OF SUCH A PLAN'S INVESTMENT IN THE ENTITY UNDER 29 C.F.R. §2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA OR OTHERWISE; OR (d) A

GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE; AND (vii) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE REQUIREMENTS OF CLAUSES (i) THROUGH (vi). FOR THE PURPOSES HEREOF, "UNITED STATES PERSON" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A **"UNITED STATES PERSON"** AS DEFINED IN SECTION 7701(a)(30) OF THE CODE AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY SHALL BE REQUIRED TO REPRESENT WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH ABOVE AND ANY OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS ABOVE AND WITH RESPECT TO A PERSON SATISFYING THE REQUIREMENTS OF CLAUSE (2) ABOVE WILL REQUIRE THE SUBMISSION TO THE DEALER OR THE ISSUER OF A DULY COMPLETED INVESTOR REPRESENTATION LETTER EXECUTED FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR (TOGETHER WITH THEIR RESPECTIVE AFFILIATES AND ANY PERSONS CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH DEALER, ISSUER OR GUARANTOR), IN THE FORM AVAILABLE FROM THE DEALER, THE ISSUER OR THE RELEVANT SECURITY AGENT (AS DEFINED IN THE AGENCY AGREEMENT) WITH RESPECT TO ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY. ANY PURPORTED TRANSFER OF THE WARRANTS, OR ANY INTEREST THEREIN, REPRESENTED BY THIS GLOBAL SECURITY IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND SHALL NOT VEST ANY RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A **"DISQUALIFIED TRANSFEREE"**), NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE GUARANTOR, THE SECURITY AGENT OR ANY INTERMEDIARY, AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE HOLDER OF ANY WARRANTS AND THE HOLDER OF ANY BENEFICIAL INTERESTS IN THE WARRANTS REPRESENTED BY THIS GLOBAL SECURITY UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM THE RELEVANT CLEARING SYSTEM.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR BY A SECURITY AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THE WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT AND THE 1940 ACT.

NONE OF THE WARRANTS, THE GUARANTEE NOR ANY ENTITLEMENT CONSTITUTE, OR HAVE BEEN MARKED AS, CONTRACTS OF SALE OF A COMMODITY FOR FUTURE DELIVERY (OR OPTIONS THEREON) SUBJECT TO THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA"), AND TRADING IN THE WARRANTS HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE CEA.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REOFFERS, REALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE

ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

- (xiv) that it agrees it will deliver to each person to whom it transfers any of the Warrants notice of any restrictions on transfers of such Warrants;
- (xv) that it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories, including DTC, Euroclear or Clearstream, Luxembourg;
- (xvi) that it will not engage in any hedging transactions with respect to the Warrants unless in compliance with the Securities Act;
- (xvii) it agrees and acknowledges that in the event that at any time the Principal Warrant Agent determines or is notified by the Issuer, the Guarantor or any of their affiliates that (i) a transfer or attempted or purported transfer of any interest in a Warrant was not consummated in compliance with the provisions of W&C Securities Condition 23 or Annex 7 to the Terms and Conditions – "Additional Terms and Conditions for Rule 144A Warrants", as applicable, or on the basis of an incorrect form, representation or certification from such investor as set forth herein or in the Investor Representation Letter, (ii) it is in breach at the time given of any representation or agreement set forth in any certificate or letter or any deemed representation or agreement delivered or deemed to be made by such purchaser, or (iii) a transfer or attempted transfer of any interest in a Warrant was consummated which did not comply with the transfer restrictions set forth in this Base Prospectus, the purported transfer shall be absolutely null and void *ab initio* and shall not vest any rights in such purported purchaser (being in such case, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of the purported transfer of such interest by such Holder;
- (xviii) that MLICo., the Guarantor and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify MLICo. and the Guarantor; and if it is acquiring any Warrants as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (xix) it understands that each Rule 144A Global Warrant held through DTC shall also bear the following legend:

"UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

Upon execution and delivery of an Investor Representation Letter by a QIB/QP, Warrants will be issued in the form of a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant, as applicable.

In the Investor Representation Letter the QIB/QP will agree, acknowledge and represent, among other things, substantially to the following effect:

- (i) it has all requisite power and authority to enter into the Investor Representation Letter and the Investor Representation Letter has been duly authorised, validly executed and delivered by it and constitutes its valid and legally binding agreement; such entrance into the Investor

Representation Letter and its acquisition of and payment for any Warrants do not violate or conflict with any law applicable to it, any provisions of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

- (ii) that the QIB/QP has received copies of this Base Prospectus and such other information as it deems necessary in order to make its investment decision;
- (iii) that the QIB/QP understands that any subsequent transfer of the Warrants is subject to certain restrictions and conditions set forth in this Base Prospectus and the Warrants (including those set out above) and that it agrees to be bound by, and not to offer, sell, resell, trade, pledge, assign, deliver or otherwise transfer, exercise or redeem the Warrants except in compliance with, such restrictions and conditions and the Securities Act;
- (iv) that the purchaser is a QIB as defined in Rule 144A, and a QP as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder;
- (v) (i) that the QIB/QP (a) is not a dealer described in Rule 144A(a)(1)(ii) that owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of issuers that are not affiliated with the dealer, (b) is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan; (c) is not an investment company excepted from the 1940 Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) thereof with respect to its U.S. holders) and formed on or prior to 30 April 1996, that has not received the consent of each of its beneficial owners with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules thereunder, (d) is not an entity that will have invested more than 40 per cent. of its assets in the Securities after giving effect to the purchase of such Warrants, (e) unless otherwise agreed to by the Issuer and the Guarantor and an opinion of counsel or other comfort satisfactory to MLICo. and the Guarantor is delivered which affirms that none of the acquisition, purchase or holding of any Warrant would cause any assets other than the Warrants to be treated as "plan assets" for the purposes of ERISA or any regulation thereunder (or in the case of a governmental, church or non-U.S. plan, any substantially similar U.S. federal, state, local or non-U.S. law), it is not a fiduciary investing assets of or on behalf of, (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA; (ii) a plan (as defined in section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code; (iii) an entity whose assets include assets of a plan described in (i) or (ii) above by reason of such a plan's investment in the entity under 29 C.F.R. §2510.3-101 as modified by Section 3(42) of ERISA or otherwise; or (iv) a governmental, church or non-U.S. plan that is subject to any U.S. federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code; (f) was not formed, reformed or recapitalised for the purpose of investing in the Warrants or other securities of the Issuer unless each of its beneficial owners is a QIB/QP who was not so formed; (g) will provide notice of applicable transfer restrictions to any subsequent transferees; and (h) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (a) through (h); and (ii) it is able to bear the economic risk of an investment in such Warrants and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of acquiring such Warrants; and
- (vi) that the QIB/QP acknowledges that it conducted and relied on its own research into such matters as it deemed necessary or advisable in connection with its purchase of the Warrants.

MERRILL LYNCH B.V.

History and Business

Merrill Lynch B.V. ("MLBV") was incorporated on 12 November 2012 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law. On 31 December 2012, effective as of 1 January 2013, MLBV merged with Merrill Lynch S.A. ("MLSA") by means of a cross border merger, whereby MLSA is the disappearing entity, and MLBV is the acquiring entity (the "**Merger**"). Pursuant to the Merger, MLBV acquired all assets and liabilities of MLSA at the time of the Merger by operation of law under universal title of succession (*onder algemene titel*). MLBV is majority-owned through a 99.98 per cent. shareholding by Merrill Lynch International Holdings Inc., which in turn, is wholly-owned by Merrill Lynch & Co., Inc., whose ultimate parent is Bank of America Corporation ("BAC"). MLBV does not hold any of its own shares.

The objects of MLBV are set out in Article 3 of its Articles of Association and include, *inter alia*, to finance businesses and companies, and to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities.

Principal Activities

The main activity of MLBV consists of granting loans to group companies and issuing notes and certificates and other securities to investors.

The objects of MLBV as set out in Article 3 of its Articles of Association also include (*inter alia*) to incorporate, to participate in any way whatsoever in, to manage, to supervise businesses and companies.

MLBV's accounting year coincides with the calendar year.

Registered Office and Register of Commerce and Companies

MLBV's registered office is at Amstelplein 1, Rembrandt Tower 11th Floor, 1096 HA Amsterdam, The Netherlands, with telephone number (+31 (0)2 0575 5600) and it is registered with the Trade Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in Amsterdam, The Netherlands, under number 56457103.

The registered office of MLBV is located in The Netherlands where the Directors hold all of their Board Meetings.

Principal Markets in which MLBV Competes

The main markets in which MLBV issues and sells securities are the Eurobond markets.

Trend Information

MLBV's primary objective in 2013 will be the continued development of securitised products to be offered and sold to retail, "high net worth" and institutional investors principally outside of the United States of America linked to a range of Underlying Assets including equity, credit, interest rates, commodities, and funds.

Directors

The Board of Directors of MLBV is charged with the management of MLBV. Set forth below is the name and title of MLBV's Directors:

Director	Title
Armstrong Okobia	Director A
Jonathan Lee	Director B

The business address of the Directors of MLBV is Amstelplein 1, Rembrandt Tower, 11th Floor, 1096 HA Amsterdam, The Netherlands.

There are no potential conflicts of interest between any duties to MLBV and their private interests or other duties of the Directors of MLBV.

There are no principal activities performed by the Directors of MLBV outside MLBV which are significant to MLBV as issuer.

Share Capital

The issued and paid-up share capital of MLBV is U.S.\$130, consisting of 13000 registered ordinary shares with a nominal value of U.S.\$0.01 each.

Dividends

MLBV has not paid any dividends since 12 November 2012, the date of its incorporation.

SELECTED FINANCIAL DATA OF MERRILL LYNCH B.V.

Balance Sheet as at 12 November 2012

ASSETS	12 Nov 2012 U.S.\$	LIABILITIES	12 Nov 2012 U.S.\$
CURRENT ASSETS		EQUITY	
Debtors			
• <i>Becoming due and payable within one year</i>			
Amounts owed by affiliated undertakings	65	Subscribed capital	65
TOTAL ASSETS	<u>65</u>	TOTAL LIABILITIES	<u>65</u>

MERRILL LYNCH INTERNATIONAL & CO. C.V.

Overview

Merrill Lynch International & Co. C.V. ("**MLCo.**") is a Curaçao limited partnership of unlimited duration organised under the laws of Curaçao which commenced operation on 1 August 1975 and was registered on 1 August 1975 under registered number 11705 in the Commercial Registry of the Chamber of Commerce and Industry in Curaçao. MLCo. complies with the Curaçao corporate governance regime. MLCo. engages primarily in the issuance of warrants and related financial instruments and the distribution of managed fund products. Bank of America Corporation ("**BAC**") is the ultimate parent of MLCo. as further described below under "Partners".

MLCo.'s registered office and business address is at Kaya W.F.G. (Jombi) Mensing 36, Curaçao. The telephone number of MLCo. is 00 (5999) 4611299.

The objects of MLCo. are set out in Article 3 of MLCo.'s Partnership Agreement, and include purchasing, selling and underwriting securities. MLCo.'s Partnership Agreement is available as part of its constitutional documents as described in "General Information". There are no recent events which are to a material extent relevant to the evaluation of MLCo.'s solvency. MLCo. has made no principal investments since 31 December 2011 and the management body of MLCo. has made no firm commitments for any future principal investments, in each case, other than issuing W&C Securities and, if applicable, entering into related arrangements.

Principal Activities

The principal activities of MLCo. are the issuance of warrants and related financial instruments, and distribution of Merrill Lynch International managed funds and other managed fund products.

MLCo.'s total capital amounts to U.S.\$500,128,000 comprising of: (i) U.S.\$118,000 fully paid up ordinary shares, comprising of 118 ordinary shares with a par value of U.S.\$1,000 each and (ii) a capital contribution of U.S.\$500,010,000.

Principal Markets in which MLCo. Competes

MLCo. principally issues Securities in the international securities markets.

Trend Information

MLCo.'s primary objective in 2013 will be the continued development of securitised products to be offered and sold to retail, "high net worth" and institutional investors principally outside of the United States of America linked to a range of Underlying Assets including equity, credit, interest rates, commodities, and funds.

Partners

ML Cayman Holdings Inc., a corporation organised under the laws of the State of Delaware in the United States, is the General, Managing and Directing Partner ("**Directing Partner**") of MLCo. Merrill Lynch International Services Limited ("**Limited Partner**"), a Canadian company, is the Limited Partner. Neither the Directing Partner nor the Limited Partner engages in any other activities other than being the Directing Partner or the Limited Partner of MLCo. as applicable.

The Directing Partner is vested with the power to direct the financial and business policies of MLCo. The Directing Partner determines the use and disposition of surplus and net profits.

The Limited Partner is indirectly wholly owned by BAC.

The Directing Partner is wholly-owned by Merrill Lynch International Holdings Inc., which is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by ML&Co. which, in turn, is wholly-owned by BAC. Each of Merrill Lynch International Holdings Inc., Merrill Lynch International Incorporated and ML&Co. is a corporation organised under the laws of the State of Delaware in the United States.

The Directors of the Directing Partner are:

Name	Title
Bruce Blanco	Director
Debra Zachter	Director

The President of the Directing Partner is:

Name	Title
Angel Alvarez	President

The above Directors and President are BAC group employees.

The registered address of the Directing Partner, its Directors and President is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States.

The Director of the Limited Partner is:

Name	Title
Gordon Weir	Director

The above Director is a BAC group employee.

The registered address of the Limited Partner and its Director is 129 Water Street, Box 38, Charlottetown, Prince Edward Island, Canada C1A 1A8.

There are no potential conflicts of interest between any duties to MLICo. of the Directing Partner and its private interest and/or other duties.

There are no principal activities performed by the Directors outside MLICo. which are significant to MLICo. as issuer.

SELECTED FINANCIAL DATA OF MERRILL LYNCH INTERNATIONAL & CO. C.V.

PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2012 and 30 June 2011 and the years ended 31 December 2011 and 31 December 2010

The following table contains MLICo.'s selected financial data as at 30 June 2012 and 30 June 2011, extracted from MLICo.'s unaudited interim financial statements and as at 31 December 2011 and 31 December 2010 extracted from MLICo.'s audited financial statements.

	30 June 2012	30 June 2011	31 December 2011	31 December 2010
	(Unaudited)			
	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000
TURNOVER	124,944	126,639	247,217	245,250
OPERATING PROFIT	2,708	16,067	30,062	48,474
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(21,459)	(6,353)	(15,330)	8,691
(LOSS)/PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION PARTNER'S (LOSS)/PROFIT ALLOCATION GENERAL PARTNER'S LOSS/(PROFIT) ALLOCATION	(21,479)	(6,239)	(15,445)	8,443
PROFIT FOR THE FINANCIAL YEAR AFTER PARTNER'S PROFIT ALLOCATION	21,479	6,239	15,445	(8,443)
	-	-	-	-

Turnover and operating profit derive wholly from continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account.

BALANCE SHEET

As at 30 June 2012, 31 December 2011 and 31 December 2010

The following table contains MLICo.'s selected financial data as at 31 December 2011 and 2010, extracted from MLICo.'s audited financial statements.

	30 June 2012		31 December 2011		31 December 2010	
	(Unaudited)					
	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000	U.S.\$'000
FIXED ASSETS		917		969		1,198
CURRENT ASSETS	5,690,678		5,405,885		13,094,223	
CREDITORS	5,691,595		5,406,854		13,095,421	
NET CURRENT LIABILITIES		(917)		(969)		(1,198)
NET ASSETS		-		-		-

BANK OF AMERICA CORPORATION

Bank of America Corporation ("BAC") is a Delaware corporation, a bank holding company, and a financial holding company. BAC was incorporated on 31 July 1998 (for an unlimited duration) as a part of the merger of BankAmerica Corporation with NationsBank Corporation. BAC was initially registered with the State of Delaware, Secretary of State, Division of Corporations on 31 July 1998 under registration number is 2927442. BAC operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "Delaware General Corporation Law". BAC's registered office in Delaware is at the Corporation Trust Company, Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States. BAC's headquarters and principal place of business are located at 100 North Tryon Street, Charlotte, North Carolina 28255, United States, telephone number (704) 386-5681. BAC's objects and purposes are to engage in any lawful act or activity for which corporations may be organised and incorporated in the General Corporation Law of the State of Delaware, as specified in paragraph 2 of BAC's amended and restated certificate of incorporation.

Business Segment Operations

BAC, through its subsidiaries throughout the U.S. and in international markets, provides a diversified range of banking and non-banking financial services and products in all 50 states of the United States, the District of Columbia, and more than 40 non-U.S. countries. BAC provides these services and products through five business segments: (1) *Consumer & Business Banking*, (2) *Consumer Real Estate Services*, (3) *Global Banking*, (4) *Global Markets* and (5) *Global Wealth & Investment Management*.

Board of Directors

As of the date of this Base Prospectus, the Directors of BAC are:

Director	Function	Principal Activities Outside of BAC
Charles O. Holliday, Jr.	Chairman of Board of Directors, Non-employee director	<ul style="list-style-type: none"> Former Chairman and Chief Executive Officer, E.I. du Pont de Nemours and Company (DuPont) Current Member of Board of Directors of Deere & Company and Royal Dutch Shell plc
Sharon L. Allen	Non-employee director	<ul style="list-style-type: none"> Former Chairman, Deloitte LLP
Mukesh D. Ambani	Non-employee director	<ul style="list-style-type: none"> Chairman of Board of Directors and Managing Director, Reliance Industries Ltd.
Susan S. Bies	Non-employee director	<ul style="list-style-type: none"> Former Member, Board of Governors of the Federal Reserve System Current Member of Board of Directors of Zurich Insurance Group
Jack O. Bovender, Jr.	Non-employee director	<ul style="list-style-type: none"> Former Chairman and Chief Executive Officer, HCA, Inc.

Frank P. Bramble, Sr.	Non-employee director	<ul style="list-style-type: none"> Former Executive Officer, MBNA Corporation
Virgis W. Colbert	Non-employee director	<ul style="list-style-type: none"> Senior Advisor, MillerCoors Company Current Member of Board of Directors of Hillshire Brands Company; Lorillard, Inc.; and Stanley Black & Decker, Inc.
Arnold W. Donald	Non-employee director	<ul style="list-style-type: none"> Former President and Chief Executive Officer, The Executive Leadership Council Current Member of Board of Directors of Carnival Corporation; Carnival plc; Crown Holdings Inc.; and The Laclede Group, Inc.
Charles K. Gifford	Non-employee director	<ul style="list-style-type: none"> Former Chairman of Board of Directors, BAC Current Member of Board of Directors of CBS Corporation and Northeast Utilities
Linda P. Hudson	Non-employee director	<ul style="list-style-type: none"> President and Chief Executive Officer, BAE Systems, Inc. Current Member of Board of Directors of BAE Systems plc
Monica C. Lozano	Non-employee director	<ul style="list-style-type: none"> Chairman and Chief Executive Officer, ImpreMedia, LLC Current Member of Board of Directors of The Walt Disney Company
Thomas J. May	Non-employee director	<ul style="list-style-type: none"> President and Chief Executive Officer, Northeast Utilities Current Member of Board of Directors of Northeast Utilities
Brian T. Moynihan	Chief Executive Officer, BAC	None

Lionel L. Nowell, III	Non-employee director	<ul style="list-style-type: none"> • Former Senior Vice President and Treasurer of PepsiCo, Inc. • Current Member of Board of Directors of Reynolds American Inc. and American Electric Power Company Inc.
Donald E. Powell	Non-employee director	<ul style="list-style-type: none"> • Former Chairman, Federal Deposit Insurance Corporation (FDIC) • Current Member of Board of Directors of QR Energy LP and Stone Energy Corporation
Charles O. Rossotti.....	Non-employee director	<ul style="list-style-type: none"> • Senior Advisor, The Carlyle Group • Current Member of Board of Directors of AES Corporation and Booz Allen Hamilton Holding Corporation
Robert W. Scully	Non-employee director	<ul style="list-style-type: none"> • Former Member of the Office of the Chairman, Morgan Stanley • Current Member of Board of Directors of Kohlberg Kravis Roberts & Co. (KKR)
R. David Yost.....	Non-employee director	<ul style="list-style-type: none"> • Former Chief Executive Officer, AmerisourceBergen Corporation • Current Member of Board of Directors of Exelis Inc.; Marsh & McLennan Companies, Inc.; and Tyco International Ltd.

The business address of each Director is 100 North Tryon Street, Charlotte, North Carolina 28255, United States.

There are no potential conflicts of interest between the duties to BAC of the members of the Board of Directors, as listed above, and their private interests and/or other duties.

Subsidiaries

BAC acts as the holding company of over 1,600 subsidiary undertakings worldwide which are all operative within the financial services sector. Details of BAC's principal subsidiaries, each of which is wholly owned, directly or indirectly, by BAC, are set out below:

Name	Address	Principal Activity
Bank of America, N.A.	101 South Tryon Street, Charlotte, North Carolina 28255	Commercial and consumer banking
FIA Card Services, N.A.	1100 North King Street Wilmington, Delaware 19884	Consumer credit
Merrill Lynch & Co., Inc.	Bank of America Corporate Center, 100 North Tryon Street Charlotte, North Carolina 28255	Through its subsidiaries, investment banking, capital markets, advisory and wealth management

Trend Information

The U.S. economy began 2012 with momentum in consumer spending, led by stronger vehicle sales and supported by larger private payroll gains. However, over the course of the year, consumer spending slowed and business spending continued to weaken following the expiration of 2011 tax incentives and ongoing uncertainties surrounding fiscal issues in the U.S. and Europe. Payroll gains steadied to a moderate pace, while business profits and cash flows continued to rise throughout the year. The unemployment rate ended the year at 7.8 per cent. Equity markets were volatile but finished with appreciable gains in 2012. The housing sector improved as new and existing home sales rose, home prices increased and residential building activity ended the year with its seventh consecutive quarterly rise.

After briefly rising early in 2012, bond yields fell as the U.S. economy slowed and economic uncertainties in Europe intensified. The low bond yields also reflected the Board of Governors of the Federal Reserve System's ("**Federal Reserve**") monetary easing and related efforts to keep bond yields low. In December 2012, the Federal Reserve announced that it would purchase an additional \$45 billion per month of long-term U.S. Treasury securities, in addition to its \$40 billion per month in mortgage-backed securities purchases, and that any policy rate increase would be tied to a 6.5 per cent. unemployment rate target as long as inflation did not exceed 2.5 per cent.

Europe experienced financial market turmoil, numerous policy interventions and spreading recession in 2012. The European Central Bank's ("**ECB**") long-term refinancing operations helped calm markets for a time but proved insufficient as emerging stresses generated renewed turmoil. In response to sharply rising sovereign bond yields, the ECB announced its willingness to intervene in sovereign debt markets under specified conditions which calmed markets and pushed down sovereign bond yields. Near year end, the benefits of structural reform, such as lower labour costs and smaller structural budget deficits, were becoming evident in select nations while sovereign spreads stabilised at lower levels. However, widespread recession persisted.

Although the Asian economy continued to expand in 2012, several key nations slowed during the year. China's economic growth remained subdued in 2012, adversely impacting international trade and overall Asian economic performance. Japan's economy expanded in the first half of the year but returned to recession in the second half of the year.

For additional information regarding trends and events impacting BAC's businesses and results of operations, see Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 23 through 152, inclusive, of the BAC 2012 Annual Report.

Board Practices

Audit Committee

BAC's Audit Committee, which currently consists of six independent members of BAC's Board of Directors, provides direct oversight of the corporate audit function and the independent registered public accounting firm of BAC.

The members of the Audit Committee are Charles O. Rossotti (Chair), Sharon L. Allen, Susan S. Bies, Donald E. Powell, Robert W. Scully and R. David Yost.

Corporate Governance

BAC has complied in all material respects with the corporate governance regime of the State of Delaware and all applicable provisions of Delaware General Corporation Law.

Ratings

As at the date of this Base Prospectus, BAC's long-term senior debt is rated Baa2 (Negative) by Moody's Investors Service, Inc. ("**Moody's**"), A- (Negative) by Standard & Poor's Financial Services LLC ("**S&P**") and A (Stable) by Fitch Ratings, Inc. ("**Fitch**"), and BAC's subordinated debt is rated Baa3 (Negative) by Moody's, BBB+ (Negative) by S&P and BBB (Stable) by Fitch. Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after the date of this Base Prospectus. A credit rating is not a recommendation to buy, sell or hold any Securities.

SELECTED FINANCIAL DATA OF BANK OF AMERICA CORPORATION

The following table contains BAC's selected financial data as of 31 December 2012, 2011 and 2010, and for each of the years in the three years ended 31 December 2012, 2011 and 2010 extracted from BAC's audited financial statements, which were prepared in conformity with accounting principles generally accepted in the United States.

	Year ended 31 December		
	2012	2011	2010
	(Dollars in millions, except number of shares and per share information)		
Income statement:			
Interest income	\$57,400	\$66,236	\$75,497
Interest expense	16,744	21,620	23,974
Net interest income	40,656	44,616	51,523
Noninterest income	42,678	48,838	58,697
Total revenue, net of interest expense	83,334	93,454	110,220
Provision for credit losses	8,169	13,410	28,435
Noninterest expense	72,093	80,274	83,108
Income (loss) before income taxes	3,072	(230)	(1,323)
Income tax expense (benefit)	(1,116)	(1,676)	915
Net income (loss)	4,188	1,446	(2,238)
Net income (loss) applicable to common shareholders	2,760	85	(3,595)
Average common shares issued and outstanding (in thousands)	10,746,028	10,142,625	9,790,472
Average diluted common shares issued and outstanding (in thousands)	10,840,854	10,254,824	9,790,472
Per common share information:			
Earnings (loss)	\$0.26	\$0.01	\$(0.37)
Diluted earnings (loss)	0.25	0.01	(0.37)
Dividends paid	0.04	0.04	0.04

	31 December	
	2012	2011
	(Dollars in millions, except percentages)	
Balance Sheet (year end):		
Total loans and leases	\$907,819	\$926,200
Total assets	2,209,974	2,129,046
Total deposits.....	1,105,261	1,033,041
Long-term debt	275,585	372,265
Total shareholders' equity	236,956	230,101
Allowance for loan and lease losses as a percentage of total loans and leases outstanding ¹	2.69%	3.68%
Total ending equity to total ending assets	10.72%	10.81%
Capital ratios (year end):		
Risk-based capital.....		
Tier 1 common capital	11.06%	9.86%
Tier 1 capital.....	12.89%	12.40%
Total capital	16.31%	16.75%
Tier 1 leverage	7.37%	7.53%

Share Capital

As of 31 December 2012, the issued and outstanding common stock of BAC equalled 10,778, 263,628 shares, \$0.01 par value, fully paid, which shares and additional paid in capital equalled approximately \$158.1 billion. As at the date of this Base Prospectus, the authorised common stock of BAC is 12,800,000,000 shares.

As of 31 December 2012, the issued and outstanding preferred stock of BAC equalled 3,685,410 shares, \$0.01 par value, fully paid, with an aggregate liquidation preference of approximately \$18.8 billion. The authorised preferred stock of BAC is 100,000,000 shares.

Principal Shareholders

BAC is a U.S. publicly-traded company. The principal market on which BAC's common stock is traded is the New York Stock Exchange. BAC's common stock is also listed on the London Stock Exchange, and certain shares are listed on the Tokyo Stock Exchange. To the extent known to BAC, no

¹ Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.

shareholder owns enough shares of BAC's common stock to directly or indirectly exercise control over BAC.

Dividends

The following cash dividends per share of common stock of BAC were paid for each of the five consecutive fiscal years ended 31 December:

<u>Fiscal Year</u>	<u>Dividend per share</u>
2012	\$ 0.04
2011	\$ 0.04
2010	\$ 0.04
2009	\$ 0.04
2008	\$ 2.24

ERISA MATTERS

Any discussion of United States federal tax issues set forth in this Base Prospectus was written in connection with the promotion and marketing of the Securities by MLBV, MLICo., BAC, the Dealers and the Managers (as applicable). Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any United States federal tax penalties that may be imposed on such person. Each person considering an investment in the Securities should seek advice based on its particular circumstances from an independent tax advisor.

BAC and certain affiliates of BAC may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or a "disqualified person" within the meaning of the Code with respect to employee benefit plans subject to Section 406 of ERISA and individual retirement accounts, Keoghs and other plans subject to Section 4975 of the Code (collectively, "**Covered Plans**"), or to have a similar relationship with governmental, church or non-U.S. plans that are subject to U.S. federal, state, local or non-U.S. laws that are substantially similar to Section 406 of ERISA or Section 4975 of the Code (collectively, "**Other Plans**"). Certain transactions between such a Covered Plan and a party in interest or disqualified person may result in "prohibited transactions" within the meaning of ERISA and the Code, and certain transactions between an Other Plan and a person with a similar relationship to an Other Plan may be similarly prohibited under other U.S. federal, state, local or non-U.S. laws, unless such transactions are effected pursuant to an applicable exemption.

In addition, certain regulatory requirements applicable under ERISA could cause investments by a Covered Plan in the Securities (whether directly or indirectly) to be deemed to include not only the purchased Securities but also an undivided interest in each of the underlying assets of the relevant Issuer. In the absence of an applicable exception to this general rule, the relevant Issuer could be considered to hold assets of the investing Covered Plan ("**plan assets**") such that the relevant Issuer and persons providing services in connection with such plan assets might be considered "parties in interest" or "disqualified persons" with respect to the investing Covered Plan and could be governed by the fiduciary responsibility provisions of Title I of ERISA and subject to and the prohibited transaction provisions referenced above. If this were the case, certain actions taken by the relevant Issuer or service provider regarding those plan assets could be deemed to be a breach of such Issuer's or service provider's fiduciary obligations under Title I of ERISA or a prohibited transaction under ERISA or the Code. Similarly, investments by an Other Plan in the Securities (whether directly or indirectly) may cause the relevant Issuer to be considered to hold assets of the investing Other Plan pursuant to other U.S. federal, state, local or non-U.S. laws and subject the relevant Issuer and persons providing services in connection with such assets to similar fiduciary and prohibited transaction requirements pursuant to such laws.

Under ERISA and various prohibited transaction class exemptions ("**PTCEs**") issued by the U.S. Department of Labor, exemptive relief may be available for direct or indirect prohibited transactions resulting from the purchase, holding or disposition of the Securities by or on behalf of, or with the plan assets of, Covered Plans. Those exemptions include PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide statutory exemptive relief for certain arm's-length transactions with a person that is a party in interest solely by reason of providing services to employee benefit plans or being an affiliate of such a service provider. There may be similar exemptive relief under other U.S. federal, state, local or non-U.S. laws for transactions by or on behalf of, or with the assets of, Other Plans.

Because BAC and certain of its affiliates may be considered a party in interest or disqualified person with respect to many Covered Plans, or a person with a similar relationship to many Other Plans, the Securities may not be purchased, held or disposed of by any Covered Plan or Other Plan, any entity whose underlying assets include plan assets by reason of any Covered Plan's investment in the entity or assets of an Other Plan by reason of any Other Plan's investment in the entity, or any person investing on behalf of or with plan assets of any Covered Plan or on behalf of or with assets of any Other Plan, unless such purchase, holding or disposition is eligible for statutory or administrative exemptive relief

or such purchase, holding or disposition is otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Covered Plan or Other Plan, transferee or holder of the Securities will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the securities that either (a) it is not a Covered Plan or Other Plan or an entity whose underlying assets include plan assets by reason of any Covered Plan's investment in the entity or an entity whose underlying assets include assets of an Other Plan by reason of any Other Plan's investment in the entity, and is not purchasing such securities on behalf of or with plan assets of any Covered Plan or on behalf of or with any assets of an Other Plan; or (b) its purchase, holding and disposition are eligible for exemptive relief or such purchase, holding and disposition are not prohibited by ERISA or Section 4975 of the Code (or in the case of an Other Plan any substantially similar federal, state, local or foreign law).) In addition, any acquisition, purchase or holding of the Securities by or on behalf of any Covered Plan or Other Plan, or with the plan assets of any Covered Plan or assets of any Other Plan, may be conditioned on BAC and the relevant Issuer's obtaining comfort to its or their satisfaction that such acquisition, purchase or holding will not cause any assets of the relevant Issuer to be treated as plan assets for the purposes of ERISA or any regulation thereunder (or in the case of an Other Plan, as assets of the Other Plan under any other U.S. federal, state, local or non-U.S. law).

Due to the complexity of the rules discussed in this section and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing Securities on behalf of or with plan assets of any Covered Plan (or on behalf of or with assets of any Other Plan) consult with their legal and tax counsel regarding the potential consequences of the investment and the availability of exemptive relief.

TAXATION

The following comments are of a general nature and apply only to the jurisdiction stated, are based on the Issuers' understanding of current law and practice and are included in this Base Prospectus solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of an instrument that is either a note ("Notes"), warrant ("Warrants") or certificate ("Certificates") will depend for each issue on the terms of the Notes, Warrants or Certificates, as specified in the "Terms and Conditions of the Notes" or the "Terms and Conditions of the W&C Securities" (as applicable), as completed by the applicable Final Terms under the law and practice at the relevant time. Prospective holders of Notes, Warrants or Certificates should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Notes, Warrants or Certificates.

UNITED STATES FEDERAL INCOME TAXATION

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES HEREIN IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUERS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS AND ANY DEALER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

General

The following is a summary of certain United States federal income tax considerations applicable to an investment in the Securities by holders who are United States Aliens (as defined in the "Terms and Conditions of the Notes") who are the original purchasers of the Securities and who have not purchased, and do not hold, the Securities in connection with a United States trade or business. For purposes of the following discussion, it is assumed that no Securities in bearer form are issued other than Certificates and Warrants cleared through Clearstream, Frankfurt which will be treated as in registered form for United States federal income tax purposes.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the Securities, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding the Securities should consult its own tax advisor regarding the United States federal income tax consequences to the partner of the acquisition, ownership and disposition by the partnership of the Securities. In addition, this summary is for general information only, and does not purport to discuss all aspects of United States federal income taxation that may be important to a particular holder in light of its circumstances or to holders subject to special tax rules, such as trusts, estates, controlled foreign corporations, passive foreign investment companies, personal holding companies, or the beneficiaries or shareholders of such entities.

While the United States federal income and withholding tax treatment of a Security will generally depend on the particular terms of such Security, the Issuer, except as indicated below generally does not intend to withhold United States federal income tax with respect to payments (other than payments treated as dividends or "dividend equivalents" pursuant to United States federal income tax law), including payments of principal and interest (including original issue discount), if any, by the Issuer or any Paying Agent or Security Agent (acting in its capacity as such) outside the United States to any holder of a Security who is a United States Alien.

Special rules may apply to payments treated as contingent interest or as dividends for certain United States federal income tax purposes.

Special rules may apply to payments that are treated as dividends or "dividend equivalents" for certain United States federal income tax purposes. The Issuer or its agent will withhold on such payments to

the extent required by law. A "dividend equivalent" payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30 per cent. United States withholding tax if paid to a United States Alien holder. Under proposed United States Treasury regulations, certain payments that are contingent upon or determined by reference to United States source dividends, including payments reflecting adjustments for (extraordinary) dividends, with respect to equity-linked instruments, including certain Securities, may be treated as "dividend equivalents". If adopted in their current form, the regulations would impose a withholding tax on payments made on certain Securities on or after 1 January 2014 that are treated as "dividend equivalents". In that case, we (or any Paying Agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. Further, United States Alien holders may be required to provide certifications prior to, or upon the sale, redemption or maturity of the Securities in order to minimise or avoid United States withholding taxes.

Neither the Issuer nor the Guarantor assumes any liability for the payment of any tax which it is required to withhold or any additional amount in respect thereof, except that in certain circumstances set forth in Condition 8 of the "Terms and Conditions of the Notes", additional amounts may be paid with respect to a Note in connection with taxes. The United States federal income and withholding tax consequences of certain Securities linked to Underlying Asset(s) are uncertain. No statutory, judicial, or administrative authority directly addresses the characterisation of such Securities or securities similar to such Securities for United States federal income, withholding, or other tax purposes. All holders should consult their tax advisors regarding the United States federal income and withholding tax consequences to them of holding such Securities.

The United States Internal Revenue Service ("**IRS**") released a notice (the "**Notice**") seeking comments on the taxation of financial instruments referred to as "prepaid forward contracts" including "exchange traded notes". According to the Notice, the IRS and United States Treasury are considering whether a holder of such an instrument should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. The IRS and United States Treasury are also considering additional issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals. In addition, legislation was introduced in the United States Congress which, if enacted, would require that a holder that acquires such an instrument after the date of enactment of the legislation accrue income on a current basis in certain circumstances. It is not possible to determine what guidance the IRS and United States Treasury will ultimately issue, if any, what legislation will be enacted, if any, and whether any such guidance or legislation would be retroactive. Any such guidance or legislation may affect the United States federal income and withholding tax treatment of the Securities.

A United States Alien holder generally will not be subject to United States federal income tax on any gain realised on the sale, exchange, or retirement of a Security (other than gains treated as dividends or "dividend equivalents" pursuant to United States federal income tax law), provided that (a) the gain is not effectively connected with the conduct of trade or business within the United States, or a permanent establishment maintained in the United States if certain tax treaties apply, (b) in the case of a United States Alien holder that is an individual, the United States Alien holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement of the Security, (c) the Security is not a "United States real property interest" for United States federal income tax purposes, and (d) the United States Alien holder is not subject to tax pursuant to certain provisions of United States federal income tax law applicable to certain expatriates.

In general, United States backup withholding and information reporting should not apply to payments on the Securities (except with respect to dividends or dividend equivalents) held by a United States Alien holder and received outside the United States through a non- United States bank or other non-United States financial institution. Proceeds of sales and payments on the Securities received within the United States or through certain United States related financial institutions may be subject to backup withholding and information reporting unless the United States Alien holder complies with applicable certification procedures to establish that it is not a United States person and the Issuer does not have actual knowledge or reason to know that the certification is false (or such holder otherwise establishes an exemption). The treatment of Securities for purposes of United States backup withholding tax and information reporting requirements will generally depend on the particular terms of such Security, the characteristics of the person or entity making a payment and the payee, and the circumstances of payment. Holders should consult their own tax advisors regarding the application of the backup withholding tax and information reporting rules.

Rule 144A Warrants subject to LEPW Conditions

The following is a summary of certain United States federal income tax considerations applicable to the acquisition, ownership, and disposition of certain Rule 144A Warrants that are subject to the LEPW Conditions (the "**Rule 144A LEPW**"). The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the Code, regulations promulgated under the Code by the United States Treasury (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below.

This summary is for general information only, and does not purport to discuss all aspects of United States federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as partnerships (or entities or arrangements treated as partnerships for United States federal income purposes), subchapter S corporations, or other pass-through entities, banks, financial institutions, tax-exempt entities, insurance companies, regulated investment companies, real estate investment trusts, trusts and estates, dealers in securities or currencies, traders in securities that have elected to use the mark-to-market method of accounting for their securities, persons holding a Rule 144A LEPW as part of an integrated investment, including a "straddle," "hedge," "constructive sale," or "conversion transaction," persons whose functional currency for tax purposes is not the United States dollar, persons holding a Rule 144A LEPW in a tax-deferred or tax-advantaged account, and persons subject to the alternative minimum or medicare contribution tax provisions of the Code. This summary does not include any description of the tax laws of any state or local governments, or of any foreign government, that may be applicable to a particular holder.

This summary is directed solely to United States Holders (as defined below) that, except as otherwise specifically noted, will purchase a Rule 144A LEPW upon original issuance and will hold the Rule 144A LEPW as a capital asset within the meaning of Section 1221 of the Code, which generally means property held for investment.

Holders should consult their own tax advisor concerning the United States federal income tax consequences to them of acquiring, owning, and disposing of a Rule 144A LEPW, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in United States federal or other tax laws.

As used herein, the term "United States Holder" means a beneficial owner of a Rule 144A LEPW that is for United States federal income tax purposes:

- a citizen or resident of the United States; or
- a corporation (including an entity treated as a corporation for United States federal income tax purposes) created or organised in or under the laws of the United States or of any state of the United States or the District of Columbia.

Although there is no statutory, judicial, or administrative authority directly addressing the characterisation of a Rule 144A LEPW, the Issuer intends to treat the Rule 144A LEPW for all tax purposes as a single financial contract linked to the underlying index or shares. This discussion assumes that a Rule 144A LEPW constitutes a single financial contract linked to the underlying index or shares for United States federal income tax purposes. If a Rule 144A LEPW does not constitute a single financial contract, the tax consequences described below would be materially different.

This characterisation of a Rule 144A LEPW is not binding on the IRS or the courts. No statutory, judicial, or administrative authority directly addresses the characterisation of a Rule 144A LEPW or any similar instruments for United States federal income tax purposes, and no ruling is being requested from the IRS with respect to its proper characterisation and treatment. Due to the absence of authorities on point, significant aspects of the United States federal income tax consequences of an investment in a Rule 144A LEPW are not certain, and no assurance can be given that the IRS or any court will agree with the characterisation and tax treatment described herein. Accordingly, holders are

urged to consult their tax advisor regarding all aspects of the United States federal income tax consequences of an investment in a Rule 144A LEPW, including possible alternative characterisations.

As noted above, the IRS released the Notice seeking comments on the taxation of financial instruments referred to as "prepaid forward contracts" including "exchange traded notes". According to the Notice, the IRS and United States Treasury are considering whether a holder of such an instrument should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity or settlement. The IRS and United States Treasury are also considering additional issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals. In addition, legislation was introduced in the United States Congress which, if enacted, would require that a holder that acquires such an instrument after the date of enactment of the legislation accrue income on a current basis in certain circumstances. It is not possible to determine what guidance the IRS and United States Treasury will ultimately issue, if any, what legislation will be enacted, if any, and whether any such guidance or legislation would be retroactive. Any such guidance or legislation may affect the United States federal income and withholding tax treatment of a Rule 144A LEPW.

Holders are urged to consult their own tax advisor concerning the impact and the significance of the above considerations. The Issuer intends to continue treating a Rule 144A LEPW for United States federal income tax purposes in the manner described herein unless and until such time as the Issuer, the IRS or United States Treasury determines, that some other treatment is more appropriate.

Unless otherwise stated, the following discussion is based on the characterisation described above. The discussion in this section assumes that there is a significant possibility of a significant loss of principal on an investment in a Rule 144A LEPW.

The Issuer will not attempt to ascertain whether any of the entities whose stock is included in an underlying index or the issuer of any underlying shares is a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the Code or a "financial asset" within the meaning of Section 1260 of the Code. If any of the entities whose stock is included in the underlying index or the issuer of any underlying shares were so treated, certain adverse United States federal income tax consequences could possibly apply. Holders should consult their tax advisor regarding the possible consequences to them in this regard.

Although the United States federal income tax treatment of any Additional Amounts paid with respect to a share linked Rule 144A LEPW is uncertain, the Issuer intends to take the position, and the following discussion assumes, that any such Additional Amounts constitute taxable ordinary income to a United States Holder at the time received or accrued in accordance with the holder's regular method of accounting.

Subject to the final sentence of this paragraph, upon receipt of a cash payment on the settlement date or upon a sale or exchange of a Rule 144A LEPW prior to exercise, a United States Holder generally should recognise capital gain or loss equal to the difference between the amount realised and the holder's basis in the Rule 144A LEPW. This capital gain or loss generally will be long-term capital gain or loss if the United States Holder held the Rule 144A LEPW for more than one year. The deductibility of capital losses is subject to limitations. For this purpose, however, the Issuer can provide no assurance on the proper treatment of the portion of the cash settlement amount, if any, equal to a fixed percentage p.a. of the issue price (the "outperformance payment") and the IRS may successfully assert that any amount attributable to the outperformance payment should be treated as ordinary income rather than as part of the amount realised.

Due to the absence of authorities that directly address the proper tax treatment of a Rule 144A LEPW, prospective investors are urged to consult their tax advisor regarding all possible alternative tax treatments of an investment in a Rule 144A LEPW. For example, the IRS could seek to treat a Rule 144A LEPW as a single debt instrument. If the IRS were successful in that regard, the timing and character of income on a Rule 144A LEPW would be affected significantly. In that case, if a Rule 144A LEPW has a term that exceeds one year, a United States Holder would generally be required to accrue interest currently over the term of the Rule 144A LEPW. In addition, any gain a United States Holder might recognise upon the settlement or upon a sale or exchange of the Rule 144A LEPW prior to exercise would be ordinary income and any loss recognised by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous

taxable years in respect of the Rule 144A LEPW, and thereafter, would be capital loss. If the Rule 144A LEPW is treated as a single debt instrument that has a term of no more than one year, it would be treated as a single contingent short-term debt instrument, which would also result in tax consequences that are different from those described above. Other alternative United States federal income tax characterisations of a Rule 144A LEPW are possible, which, if applied, also could affect the timing and the character of a United States Holder's income or loss.

In general, backup withholding may apply in respect of the amounts paid to a United States Holder, unless such United States Holder provides proof of an applicable exemption or a correct taxpayer identification number, or otherwise complies with applicable requirements of the backup withholding rules. In addition, information returns will be filed with the IRS in connection with payments on the Rule 144A LEPW as well as in connection with the proceeds from a sale, exchange, or other disposition of the Rule 144A LEPW, unless the United States Holder provides proof of an applicable exemption from the information reporting rules. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a United States Holder's United States federal income tax liability provided the required information is furnished to the IRS.

The Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") (Sections 1471 through 1474 of the Code), enacted on 18 March 2010, will impose a 30 per cent. United States withholding tax on certain United States source payments, including interest (and original issue discount), dividends (and dividend equivalents), or other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce United States source interest or dividends ("**Withholdable Payments**"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the United States Treasury to collect and provide to the United States Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. A Security may constitute an account for these purposes. The legislation also generally imposes a withholding tax of 30 per cent. on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial United States owners or a certification identifying the direct and indirect substantial United States owners of the entity. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

In addition, under FATCA, "passthru payments" made by a foreign financial institution to "recalcitrant holders" or non-compliant foreign financial institutions are subject to a 30 per cent. United States withholding tax. A "recalcitrant holder" generally is a holder of an account with a foreign financial institution that fails to comply with reasonable requests for information that will help enable the relevant foreign financial institution to comply with its reporting requirements (a Security may constitute an account for these purposes). Pursuant to United States Treasury regulations, a passthru payment is any Withholdable Payment and any "foreign passthru payment", which has yet to be defined. Under the regulations, the 30 per cent. United States withholding tax on "recalcitrant holders" or non-compliant foreign financial institutions may be imposed on United States source payments (e.g. dividend equivalent payments) made by an Issuer with respect to the Securities after 31 December 2013 and on non-United States source payments made by an Issuer with respect to the Securities after 31 December 2016.

These withholding and reporting requirements will generally apply to payments made after 31 December 2013 and if the Issuer determines withholding is appropriate with respect to the Securities, the Issuer will withhold tax at the applicable statutory rate without being required to pay any additional amounts with respect to amounts so withheld. However, the withholding tax will not be imposed on payments pursuant to obligations outstanding on 1 January 2014 or on obligations giving rise to withholdable payments solely because payments are treated as dividend equivalent payments if the obligation is outstanding six months after the date on which the obligation becomes subject to such treatment. Holders are urged to consult with their own tax advisors regarding the possible implications of this recently enacted legislation on their investment in the Securities.

THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY OR MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS

SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE SECURITIES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

DUTCH TAXATION

The following is a general summary and the tax consequences as described here may not apply to a Holder of Securities (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes, Warrants or Certificates (together referred to as "**Securities**") in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Securities issued on or after the date of this Base Prospectus. It does not consider every aspect of taxation that may be relevant to a particular Holder of Securities under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this taxation summary the terms "The Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of The Netherlands. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Base Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of The Netherlands (unpublished case law not included) as it stands at the date of this Base Prospectus. The law upon which this summary is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Securities is at arm's length.

Where in this Dutch taxation paragraph reference is made to a "Holder of Securities", that concept includes, without limitation:

1. an owner of one or more Securities who in addition to the title to such Securities has an economic interest in such Securities;
2. a person who or an entity that holds the entire economic interest in one or more Securities;
3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Securities, within the meaning of 1. or 2. above; or
4. a person who is deemed to hold an interest in Securities, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Withholding tax

All payments under Securities may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority of or in The Netherlands, except where Securities are issued under such terms and conditions that such Securities are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and where Securities are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer

Taxes on income and capital gains

Resident Holders of Securities

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Resident Holders of Securities" applies only to a Holder of Securities who is a "Dutch Individual" or a "Dutch Corporate Entity".

A Holder of Securities is a "Dutch Individual" if:

- he is an individual; and
- he is resident, or deemed to be resident, in The Netherlands for Dutch income tax purposes, or has elected to be treated as a resident of The Netherlands for Dutch income tax purposes.

A Holder of Securities is a "Dutch Corporate Entity" if:

- it is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax;
- it is resident, or deemed to be resident, in The Netherlands for Dutch corporation tax purposes;
- it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax;
- the benefits derived from Securities held by it are not exempt in its hands under the participation exemption (as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)); and
- it is not an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If a Holder of Securities is not an individual and if it does not satisfy any one or more of these tests, with the exception of the second test, its Dutch tax position is not discussed in this Base Prospectus.

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived from Securities, including any gain realised on the disposal of Securities, by a Dutch Individual that are attributable to an enterprise from which such Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived from Securities, including any gain realised on the disposal of Securities, by a Dutch Individual that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to Dutch income tax at progressive rates.

Benefits derived from Securities by a Dutch Individual are taxable as benefits from miscellaneous activities if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b, or c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer.

Generally, a person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (partner), if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) – owns or is deemed to own, directly or indirectly, either a number of shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profits of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from Securities that are taxable as benefits from miscellaneous activities in the following circumstances:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge (*voorkennis*) or comparable forms of special knowledge;
- b. if he makes Securities available or is deemed to make Securities available, legally or as a matter of fact, directly or indirectly, to certain parties as meant by articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there; or
- c. if he holds Securities, whether directly or indirectly, and any benefits to be derived from such Securities are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Other Dutch Individuals

If a Holder of Securities is a Dutch Individual whose situation has not been discussed before in this section "Dutch taxation - Taxes on income and capital gains – Resident Holders of Securities", benefits from his Securities are taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4 per cent. per annum of his "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the calendar year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 per cent. The value of his Securities forms part of his yield basis. Actual benefits derived from his Securities, including any gain realised on the disposal of Securities, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Any benefits derived or deemed to be derived from Securities, including any gain realised on the disposal thereof, that are held by a Dutch Corporate Entity are generally subject to Dutch corporation tax.

Non-resident Holders of Securities

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Non-resident Holders of Securities" applies only to a Holder of Securities who is a Non-Resident Holder of Securities.

A Holder of Securities will be considered a "Non-Resident Holder of Securities" if he is neither resident, nor deemed to be resident, in The Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be, and who, in the case of an individual, has not elected to be treated as a resident of The Netherlands for Dutch income tax purposes.

Individuals

A Non-Resident Holder of Securities who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Securities, including any payment under Securities and any gain realised on the disposal of Securities, except if

1. he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, such enterprise is either being managed in The Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in The Netherlands, and his Securities are attributable to such enterprise; or
2. he derives benefits or is deemed to derive benefits from Securities that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

See the section "Dutch Taxation – Taxes on income and capital gains - Resident Holders of Securities - Dutch Individuals deriving benefits from miscellaneous activities" for a description of the circumstances under which the benefits derived from Securities may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in The Netherlands only if such activities are performed or deemed to be performed in The Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Entities

A Non-Resident Holder of Securities other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Securities, including any payment under Securities and any gain realised on the disposal of Securities, except if

1. such Non-Resident Holder of Securities derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in The Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in The Netherlands, and its Securities are attributable to such enterprise; or
2. such Non-Resident Holder of Securities has a substantial interest in the Issuer (as described above under Individuals) or a deemed substantial interest in the Issuer.

A deemed substantial interest may be present if shares, profit participating certificates or rights to acquire shares in the Issuer are held by such person or deemed to be held by such person following the application of a non-recognition provision.

General

Subject to the above, a Non-Resident Holder of Securities will not be subject to income taxation in The Netherlands by reason only of the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement of the documents relating to the issue of Securities or the performance by the Issuer of its obligations under such documents or under the Securities.

Gift and inheritance taxes

If a Holder of Securities disposes of Securities by way of gift, in form or in substance, or if a Holder of Securities who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in The Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

- (ii) the donor made a gift of Securities, then became a resident or deemed resident of The Netherlands, and died as a resident or deemed resident of The Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Securities made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in The Netherlands in respect of or in connection with (i) the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the documents relating to the issue of Securities, (ii) the performance by the Issuer of its obligations under such documents or under the Securities, or (iii) the transfer of Securities, except that Dutch real property transfer tax (*overdrachtsbelasting*) may be due by a Holder of Securities if in satisfaction of all or part of any of its rights under the Securities, it acquires any asset, or an interest in any asset (*economische eigendom*), that qualifies as real property or as a right over real property situated in The Netherlands, for the purposes of Dutch real property transfer tax (*overdrachtsbelasting*) or, where Securities are issued under such terms and conditions that they represent an interest in assets (*economische eigendom*) that qualify as real property or rights over real property, situated in The Netherlands, for the purposes of Dutch real property transfer tax.

CURAÇAO TAXATION

This summary solely addresses the principal Curaçao tax consequences of the acquisition, ownership and disposal of W&C Securities. It does not purport to describe every aspect of taxation that may be relevant to a particular holder of W&C Securities as defined below. Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of W&C Securities. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Curaçao tax law.

This summary is based on the tax law of Curaçao (unpublished case law not included) as it stands at the date of this Note, Warrant and Certificate Programme. The tax law upon which this summary is based, is subject to changes, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that (i) each transaction with respect to W&C Securities is at arm's length, (ii) Bank of America Corporation as Guarantor is neither resident nor deemed to be resident in Curaçao and neither has a permanent establishment nor a permanent representative in Curaçao, (iii) no payment under W&C Securities has been or will be secured by a mortgage on any real property, or on any rights on real property, situated within Curaçao, (iv) if any payment under W&C Securities qualifies as an interest payment made to, or secured to, or for the direct benefit of, an individual who is resident of the part of the Kingdom of The Netherlands situated in Europe or of any other State, with which the Kingdom of The Netherlands has concluded an agreement regarding automatic exchange of information with respect to income in the form of interest payments within the meaning of the National Ordinance on the Taxation of Savings Income (*Landsverordening spaarvermogensheffing*), such individual has authorised in writing the submission of information concerning such payments to the competent authorities of his State of residency in accordance with the National Ordinance on the Taxation of Savings Income, and (v) no W&C Securities will be issued that are, in whole or in part, linked to shares of any one or more companies that are resident or deemed to be resident in Curaçao for Curaçao tax purposes.

Where in this Curaçao taxation paragraph reference is made to a “holder of W&C Securities”, that concept includes, without limitation:

1. an owner of one or more W&C Securities who in addition to the title to such W&C Securities has an economic interest in such W&C Securities;
2. a person who or an entity that holds the entire economic interest in one or more W&C Securities;

3. a person who or an entity that holds an interest in an entity, such as a partnership, that is transparent for Curaçao tax purposes, the assets of which comprise one or more W&C Securities, within the meaning of 1. or 2. above.

Withholding Tax

All payments under W&C Securities may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by Curaçao or any political subdivision or taxing authority of, or in, Curaçao.

Taxes on Income and Capital Gains

The summary set out in this section "Curacao Taxation - Taxes on Income and Capital Gains" applies only to a holder of W&C Securities who is neither resident nor deemed to be resident in Curaçao for the purposes of Curaçao income tax or profit tax, as the case may be (a "**Non-Resident holder of W&C Securities**").

A Non-Resident holder of W&C Securities will not be subject to any Curaçao taxes on income or capital gains in respect of any benefits derived or deemed to be derived from W&C Securities, including any payment under W&C Securities and any gain realised on the disposal of W&C Securities, provided that:

- (i) such holder does not have an enterprise or profession or an interest in an enterprise or profession that is, in whole or in part, carried on in Curaçao by or for the account of such holder, and to which enterprise or profession or part of an enterprise or profession, as the case may be, his or its W&C Securities are attributable; and
- (ii) if such holder is an individual and if such W&C Securities are not considered securities (*effecten*) for Curaçao purposes, no payment under the W&C Securities is contingent on the proceeds of any Curaçao enterprise or profession, nor on the quantities or proceeds of any product mined or processed in Curaçao; and
- (iii) if such holder is an individual, his W&C Securities do not form part of, and are not deemed to form part of, a substantial interest (*aanmerkelijk belang*) in the Issuer.

An individual's W&C Securities may form part of, or may be deemed to form part of, a substantial interest if he, either alone or together with his spouse and certain of their relatives in blood or by marriage (*bloed- of aanverwanten*) in the direct line, holds, directly or indirectly, (A) at least 5 per cent. of the issued share capital (*geplaatste kapitaal*) of a company, the capital of which is wholly or partly divided into shares, or (B) rights to acquire, directly or indirectly, shares to at least 5 per cent. of the issued share capital of such a company, or (C) profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of the annual profit or to 5 per cent. or more of the liquidation proceeds of such a company.

Gift and Inheritance Taxes

If a holder of W&C Securities disposes of W&C Securities by way of gift, in form or in substance, or if a holder of W&C Securities who is an individual dies, no Curaçao gift tax or Curaçao inheritance tax, as applicable, will be due, unless the donor is, or the deceased was resident or deemed to be resident in Curaçao for purposes of Curaçao gift tax or Curaçao inheritance tax, as applicable.

Sales Tax

No sales tax (*omzetbelasting*), turnover tax (*belasting op bedrijfsomzetten*) or similar tax will arise in Curaçao in respect of any payment in consideration for the issue of W&C Securities or with respect to any payment under the W&C Securities provided that the W&C Securities will neither be offered or deemed to be offered nor sold or deemed to be sold directly or indirectly to, nor will W&C Securities be acquired or deemed to be acquired or owned or deemed to be owned by:

- (i) an individual who is resident or deemed to be resident in Curaçao; or

- (ii) an entity which is resident or deemed to be resident in Curaçao if and to the extent such entity qualifies as an entrepreneur (*ondernemer*); or
- (iii) an individual who or an entity which is neither resident nor deemed to be resident in Curaçao and who or which is engaged in trade or business in Curaçao through a permanent establishment or through a permanent representative;

in each case: for the purposes of the Sales Tax Ordinance (*Landverordening Omzetbelasting 1999*).

Other Taxes and Duties

No Curaçao registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in Curaçao in respect of, or in connection with, the execution, delivery and/or enforcement by legal proceedings of the documents relating to the issue of W&C Securities or the performance by the Issuer or the Guarantor of its obligations under such documents or under W&C Securities, provided these actions take place outside Curaçao. Stamp tax amounting to not more than NAFL 10 (U.S.\$5.60) per page and registration tax of NAFL 5 (U.S.\$2.80) per document are payable in the case of registration in Curaçao of documents or if such documents are brought into the courts of Curaçao and court fees will be due in the case of litigation in the courts of Curaçao.

A holder of W&C Securities will not incur or become liable for any Curaçao registration tax, transfer tax, stamp duty or any other similar documentary tax or duty by reason only of the acquisition, ownership or disposal of W&C Securities.

FINLAND

The following is a summary of certain Finnish withholding tax consequences for holders of the Securities who are residents of Finland for tax purposes. The summary does not cover Securities held on or through so called investment savings account (*ps-tili*) or through so-called investment insurances (*sijoitusvakuutus*). The summary is based on tax laws and taxation practice, as in effect and applied as at the date of this document and is intended to provide general information only. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

Each prospective investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from subscription, purchase, ownership and disposition of the Securities.

Withholding Tax – Individuals

Payment of interest or compensation comparable to interest on the Securities is subject to an advance tax withholding (*ennakonpidätys*) by the Finnish paying agent at the rate of 30 per cent. Depending on the classification of the Securities for tax purposes, also the payment of any gain on the redemption (other than the disposal thereof) or exercise of the Securities may be subject to an advance tax withholding by the Finnish paying agent at the rate of 30 per cent. Generally, this is likely to apply to the payment of any redemption gain on the Notes, but not necessarily with respect to any gain arising from the exercise (i.e. the realisation of the net value through cash settlement) of the Warrants or Certificates. Any advance tax withholding will be used for the payment of the individual's final taxes.

Withholding Tax – Corporate Entities

Payment of interest or compensation comparable to interest on the Securities or any gain on the redemption or the exercise (i.e. the realisation of the net value through cash settlement) of the Securities to a corporate entity resident in Finland will not be subject to any Finnish withholding tax to be levied or deducted by the Issuer.

IRELAND

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Securities and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Securities including dealers in securities and trusts. The summary does

not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Securities. Prospective investors in the Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Under general Irish tax law, the Issuers will not be obliged to withhold tax from payments of principal. In addition, payments of premium or interest (if any, or to the extent a payment may be so characterised for taxation purposes) paid on the Securities may be made without deduction or withholding on account of Irish tax so long as such payments do not constitute Irish source income. Interest (if any) and premium paid on the Securities may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Securities is maintained in Ireland or if the Securities are in bearer form the Securities are physically held in Ireland; or
- (c) the assets relating to the Securities are attributed to an Irish branch or agency of the Issuer.

It is anticipated that (i) the Issuers are not and will not be resident in Ireland for tax purposes; (ii) the Issuers will not have a branch or permanent establishment in Ireland; and (iii) the Securities will either be in bearer form and will not be physically located in Ireland or that the Issuers will not maintain a register of any registered Securities in Ireland.

Taxation of Receipts

Notwithstanding that a holder of Securities may receive payments of principal, premium, and interest, premium or discount on the Securities free of Irish withholding tax, the holder of Securities may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such premium or interest if (i) such interest has an Irish source, (ii) the holder of Securities is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of premium or interest on the Securities), or (iii) the Securities are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from premium, interest or other income paid on Securities issued by a company not resident in Ireland, where such amount is collected or realised by a bank or encashment agent in Ireland on behalf of any holder of Securities who is Irish resident.

Encashment tax does not apply where the holder of Securities is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Capital Gains Tax

A holder of Securities will be subject to Irish tax on capital gains on a disposal of Securities unless (a) such holder is: (i) neither resident nor ordinarily resident in Ireland; and (ii) does not carry on a trade or business in Ireland through a permanent establishment, branch or agency in respect of which the Securities are or were held; and (b) the Securities do not derive the greater part of their value directly or indirectly from Irish land or minerals.

Capital Acquisitions Tax

A gift or inheritance comprising of Securities will be within the charge to capital acquisitions if either: (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) if the Securities are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Securities are generally regarded as situated where they are physically located at any particular time. Securities in registered form are property situate in Ireland if the register is in Ireland. The Securities may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Securities are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor.

Stamp duty

As the Issuers are not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Securities so long as the relevant instrument of transfer:

- (a) does not relate to any immovable property in Ireland; or
- (b) does not relate to stocks or marketable securities of a company registered in Ireland.

LUXEMBOURG TAXATION

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes, the Warrants and the Certificates (together referred to as the "**Securities**"), should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax and Self-Applied Tax

(i) Non-resident holders of the Securities

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium, any additional amounts or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-resident holders of Securities.

Under the Luxembourg laws dated 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("**EU**"), a Luxembourg-based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another EU Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment will apply to payments of interest and other similar income made to certain "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a EU Member State or in certain EU dependent or associated territories (i.e. entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, which are not and have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands).

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

(ii) **Resident holders of the Securities**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended by the law of 17 July 2008 (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium, any additional amounts or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Law payments of interest or similar income made or ascribed by a Luxembourg paying agent (defined in the same way as in the Savings Directive) to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) will be subject to a withholding tax of 10 per cent. (the "**10 per cent. Withholding Tax**").

Pursuant to the Law, Luxembourg resident individuals acting in the course of the private wealth can opt to self-declare and pay a 10 per cent. tax (the "**10 per cent. Self-Declared Tax**") on interest payments made on or after 31 December 2007 by paying agents (defined in the same way as under the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

The 10 per cent. Withholding Tax or the 10 per cent. Self-Declared Tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Payments of interest under the Securities coming within the scope of the Law would be subject to 10 per cent. Withholding Tax, or the 10 per cent. Self-Declared Tax.

SWEDEN

The following discussion is a summary of certain material Swedish tax considerations relating to (i) Securities issued by any of the Issuers where the Holder is tax resident in Sweden or has a tax presence in Sweden or (ii) Securities where the Paying Agent or custodian is located in Sweden. This summary of certain tax issues that may arise as a result of holding Securities is based on current Swedish tax legislation and is intended only as general information for Holders of Securities who are resident or domiciled in Sweden for tax purposes. This description does not deal comprehensively with all tax consequences that may occur for Holders of Securities, nor does it cover the specific rules where Securities are held by a partnership or are held as current assets in a business operation. Moreover, this summary does not cover Securities held on a so-called investment savings account (Sw: investeringssparkonto) Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and persons who are not resident or domiciled in Sweden. It is recommended that potential applicants for Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

Taxation of individuals resident in Sweden

Income from capital category

For individuals and estates of deceased Swedish individuals capital gains, interest payments, dividends and other income derived from the holding of an asset should be reported as income from capital category.

Capital gains and losses

Individuals and estates of deceased Swedish individuals, who sell their Securities, are subject to capital gains taxation. The current tax rate is 30 per cent. of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Securities. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Securities of the same type and class are added together and calculated collectively, with respect to changes to the holding. Optionally, the so-called standard rule under which the acquisition cost is deemed to be the equivalent of 20 per cent. of the net sales price may be applied on the disposal of listed notes that are taxed in the same manner as shares. A note should be regarded as listed for Swedish tax purposes if it is listed on the Regulated Market of the Luxembourg Stock Exchange or any other foreign market that is considered as a stock exchange under Swedish tax law.

As a main rule, 70 per cent. of a capital loss is deductible against any other taxable income derived from capital.

Capital losses on listed Securities that are taxed in the same manner as shares, are, however, fully deductible against taxable capital gains on such assets or capital gains on listed as well as non-listed shares in Swedish limited liability companies and foreign legal entities. Any excess amount is deductible at 70 per cent., according to the main rule.

Capital losses on listed Securities qualifying as Swedish receivables (i.e. denominated in SEK) are currently fully deductible in the capital income category. Moreover, under EC law even such receivables denominated in foreign currency are fully deductible.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent. of any deficit not exceeding SEK 100,000 and 21 per cent. of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

Interest

Interest as well as other income derived from the holding of an asset is subject to tax at a rate of 30 per cent. The tax liability arises when the interest (or other income) is actually paid, in accordance with the so-called cash method.

Classification of various Notes and return on such Notes for tax purposes

Zero-coupon bonds

No formal interest accrues on zero-coupon bonds.

The profit from a redemption of a zero-coupon bond is regarded as interest, subject to tax at the time of redemption. However, the appreciation in value is regarded as interest compensation, should the zero-coupon bond be disposed of prior to maturity. If there is a loss on the bond, this is deductible as a capital loss in accordance with the principles referred to above.

Equity linked notes

Equity linked notes constitute securities that are taxed in the same manner as shares.

Any fixed, guaranteed return is taxed as interest and does not form part of any capital gain. Floating payments that cannot be predicted (based on the performance of an Underlying Asset, such as an index) are classified as capital gains or, if the payoff is provided before the note is sold, other income derived from the holding of an asset.

Upon disposal prior to maturity an annual guaranteed return shall be regarded as interest compensation. Any remaining amount shall be treated as capital gain or loss. The acquisition cost for the instrument is calculated to equal the difference between the price paid for the note and any interest compensation amount.

At redemption, a yearly guaranteed return is regarded as interest, whereas any remaining part of a yearly floating return shall be treated as other income derived from the holding of an asset. The remainder is taxed as a capital gain or loss.

Combination notes

Combination notes are considered as receivables for tax purposes (i.e. not as notes taxed in the same manner as shares) if more than 50 per cent. of the return on the instrument derives from assets other than equity. The assessment is made at the time of the issue.

Classification of various securities for tax purposes

Certificates and Warrants linked to equity (e.g. an equity index) are taxed in the same manner as shares provided that the return derives from equity.

Certificates and Warrants, whose underlying assets are related to claims in SEK, or to one or several interest indices, are treated as Swedish receivables. If the underlying assets are related to foreign currency or claims in foreign currency, or if the securities relate to one or several indices depending on foreign currency, the securities are treated as foreign receivables.

Commodity linked certificates and warrants should qualify as so-called "other assets".

Certificates and Warrants with a return deriving from a combination of equity and other assets, are taxed in the same manner as shares should more than 50 per cent. of the return on the security derive from equity. The assessment is made at the time of the issue.

Withholding of tax

There is no Swedish withholding tax at source (*källskatt*) applicable on payments made by the Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments treated as interest in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes provided the paying entity is tax resident in Sweden and subject to reporting obligations. Depending on the relevant Holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the Holder's overall tax liability with any balance subsequently to be paid by or to the relevant Holder, as applicable.

Stamp duty

There is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

Taxation of Swedish legal entities

Limited liability companies and other legal entities, except for estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Securities) as income from business activities at a flat rate of 26.3 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Taxation of individuals resident in Sweden" above. However, interest income as well as other income derived from the holding of an asset is taxed on an accruals basis.

Capital losses on Securities that are taxed in the same manner as shares (see further above) incurred by a corporate holder of a Security may only be offset against taxable capital gains on shares or such notes. Such capital losses may also, under certain circumstances, be deductible against capital gains on shares and Securities that are taxed in the same manner as shares within the same group of companies, provided the requirements for group contributions (tax consolidation) are met.

Capital losses on shares and Securities that are taxed in the same manner as shares which are not deducted against capital gains within a certain year may be carried forward and offset against taxable capital gains on shares and notes taxed in the same manner as shares in the future.

For limited liability companies and economic associations, capital gains on shares and certain share related rights held for business purposes are tax exempt. As a result, capital losses on shares and share related rights that are held for business purposes are not deductible. Securities under this offer are not

treated as share related rights held for business purposes. However, a capital loss on the Securities is not deductible should the underlying assets, directly or indirectly, consist of shares or certain share related rights held for business purposes.

As mentioned above, there is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding taxation treatment in relation to payments of principal and interest in respect of the Securities, certain other material UK tax considerations and of certain aspects of the UK stamp duty and stamp duty reserve tax treatment of the Securities at the date hereof. It is based on the current United Kingdom tax law and United Kingdom HM Revenue & Customs ("HMRC") practice. The comments only apply to Holders that are the beneficial owners of Securities who acquire and hold Securities as an investment and do not apply to certain classes of person (such as unit trusts, open-ended investment companies, persons connected with the Issuer and persons carrying on a trade of dealing in financial instruments) to whom special rules may apply. The comments are intended as a general guide and should be treated with appropriate caution, particularly since the precise provisions of the Final Terms could alter the tax treatment. This summary is not intended to be exhaustive and does not cover any issues or taxes not expressly covered; nor should it be considered legal or tax advice to any person. The comments below do not deal with the tax consequences on any substitution of the Issuer in accordance with Condition 15 (*Substitution of the Issuer, Consolidation and Merger*). Each potential purchaser is advised to consult its own tax adviser as to the UK tax consequences attributable to acquiring, holding and disposing of Securities and as to other UK and non-UK applicable taxes.

Potential purchasers who are resident for tax purposes in the UK but who are not UK-domiciled should consult their own tax advisers as to which investments do or do not benefit from a non-UK situs treatment for the purposes of the relevant UK taxes.

United Kingdom Withholding Tax on Securities

A payment which constitutes interest on a Security will only be subject to UK withholding tax if it has a "UK source" in which case it may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

It is not expected that interest paid under the Securities will have a UK source, provided that the following conditions are both met:

- (i) Securities are not issued by or for a UK branch of an Issuer; and
- (ii) no security is taken on behalf of the Holders over UK assets or over any swap transaction with a UK counterparty.

In any event under current law, no withholding or deduction on account of UK income tax will apply if either of the following circumstances apply in respect of the Securities:

- (a) The Securities have a maturity of less than one year from the date of issue provided that the Securities are not issued under arrangements the effect of which is to render such Securities part of a borrowing with a total term that could be a year or more.
- (b) If such Securities are and continue to be quoted Eurobonds. Securities issued by MLBV which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be "listed" on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. Securities will be treated as "listed" on a recognised stock exchange outside the United Kingdom if (and only if) they are admitted to trading on that exchange and they are officially listed in a country outside the United Kingdom in which there is a recognised stock exchange in accordance with provisions corresponding to those generally applicable in the European Economic Area states. HMRC has published and maintains a list of stock exchanges designated as recognised stock exchanges, and of the markets on which securities meet the HMRC definition of "listed" for these purposes. By way of example,

securities listed on the Main Market of the Luxembourg Stock Exchange or the London Stock Exchange, or on the Main Standard of the SIX Swiss Exchange are "listed" on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007.

The references to "interest" above and in the remainder of this United Kingdom taxation section mean "interest" as understood in United Kingdom tax law. The statements above and below do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Securities or any related documentation. In particular, any premium element of the redemption amount of any Securities redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above.

Provisions of information in respect of certain payments of interest

Holders (or beneficial owners) should note that where any interest on Securities is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuers (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant Holder (or beneficial owner) (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the individual Holder (including the Holder's name and address) (or of the beneficial owner (as the case may be)). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of UK income tax and whether or not the Holder or beneficial owner is resident in the United Kingdom for UK taxation purposes. Where the Holder or beneficial owner is not so resident, the details provided to HMRC may, in certain cases, be passed by HMRC to the tax authorities of the jurisdiction in which the Holder or beneficial owner is resident for taxation purposes.

Warrants

Paragraphs (i) and (ii) below relate only to Warrants which satisfy all of the following conditions:

- (a) there are no interim payments payable under the terms of the Warrants;
- (b) there is no element of principal protection under the terms of the Warrants;
- (c) the return on the Warrants is calculated with direct reference to fluctuations in the value of an Underlying Asset or Underlying Assets; and
- (d) the Warrants are not designed to produce a return equivalent to money invested at interest.

Where conditions (a) to (d) are not all met, potential purchasers should refer to the section below entitled "Other Certificates and Notes", however further considerations may affect the analysis, depending on the terms of the Warrant. The taxation of Warrants is particularly complex and each potential purchaser of Warrants is advised to consult its own tax adviser as to the UK tax consequences of acquiring, holding and disposing of Warrants.

(i) United Kingdom resident individuals

Where Warrants are held as investments, any gain arising may, depending on the Holder's personal circumstances, give rise to a charge to UK tax on capital gains or an allowable loss. Where Warrants fall within the definition of "financial option" for the purposes of UK capital gains tax the rules as to wasting assets which might restrict the amount of the acquisition costs of the warrant for the purposes of calculating any chargeable gain or allowable loss will not apply.

Any Warrant which either alone or, taken together with other related transactions, is designed to produce a guaranteed return equivalent to money invested at interest will not be taxed in accordance with the rules described above. Instead any profit or gain arising in relation to such a warrant will be charged to tax as income.

(ii) Holders within the charge to UK corporation tax

A company which is resident for tax purposes in the United Kingdom or which is not so resident but carries on a trade in the United Kingdom through a United Kingdom permanent establishment to which

the Warrants are attributable will generally be chargeable to corporation tax in respect of the returns on the Warrants. The way in which amounts are brought into the corporation tax charge differs depending upon whether or not the Warrant constitutes a derivative contract for the purposes of Part 7 of the Corporation Tax Act 2009.

Where a Warrant does constitute a derivative contract for the purposes of Part 7 of the Corporation Tax Act 2009, such a Holder will generally be chargeable to corporation tax on all income, profits and gains on an income basis deriving from the Warrant (whether they arise from acquiring, holding, disposing or exercising rights under the Warrant) consistently with the way those profits are recognised in accordance with generally accepted accounting practice. Accordingly, any income, profits or gains in relation to Warrants will generally be charged to tax as income. In certain limited cases, some or all of the above amounts may be treated as capital gains rather than income for corporation tax purposes (but without many of the consequent advantages such as indexation relief).

Warrants which are not treated as derivative contracts and which do not carry a right to interest are likely to be taxed in accordance with the rules set out in (i) above. United Kingdom companies may also be entitled to an indexation allowance on the disposal of a Warrant which in effect increases the base cost of an asset (such as a Warrant) in line with inflation.

Non principal protected Certificates

For United Kingdom resident individuals holding certain non-principal protected Certificates the UK tax treatment should be the same as that described above under the heading "Warrants" at section (i) above, provided that the Certificates satisfy all of the following conditions:

- (a) there are no interim payments payable under the terms of the Certificates;
- (b) there is no element of principal protection under the terms of the Certificates;
- (c) the return on the Certificates is calculated with direct reference to fluctuations in the value of an Underlying Asset or Underlying Assets; and
- (d) the Certificates are not designed to produce a return equivalent to money invested at interest.

Other Certificates and Notes

- (i) *United Kingdom resident individuals holding other Certificates or Notes*

The discussion in this section relates to:

- (a) Certificates that do not satisfy all the conditions set out in the section above; and
- (b) Notes.

Any interest, discount or premium payable on the Certificates or Notes may be subject to UK income tax by direct assessment even where paid without withholding.

Accrued Income Scheme

Holders that are UK resident individuals should also have regard to the provisions of the Accrued Income Scheme (the "**Scheme**") which may apply to individuals transferring Certificates or Notes that bear interest or to individuals to whom such Certificates or Notes are transferred. The charge to tax on income that may arise under the Scheme will be in respect of an amount representing interest on the Certificates or Notes which has accrued since the preceding interest payment date. This amount will be taken into account in determining any chargeable gain or loss arising on a disposal of the Certificates or Notes.

However, where a Certificate or Note constitutes a variable rate security for the purposes of the Scheme, the amount of accrued interest deemed to be received as income by a Holder upon transfer would be such amount as HMRC decides is just and reasonable and the transferee will not be entitled to any credit under the Scheme to set against any actual or deemed interest that is received or is deemed received.

Taxation of discount and premium

Generally where the amount payable on maturity, or any other occasion when the Certificate or Note can be redeemed, will or may exceed the issue price by more than 0.5 per cent. of the redemption amount for each year in the redemption period, up to a maximum of 30 years, those Certificates or Notes will constitute deeply discounted securities, subject to certain exceptions. It is not considered that Certificates or Notes would be regarded as deeply discounted securities merely by reason of the fact that they are denominated in a currency other than sterling. Where Certificates or Notes constitute "deeply discounted securities", a Holder of such Certificates or Notes who is within the scope of UK income tax may be liable to UK income tax on any profits (the amount by which any sum payable on the transfer or redemption of the Certificate or Note exceeds its acquisition price) made on the sale or other disposal (including redemption) of such Certificates or Notes.

Where Certificates or Notes are issued at a redemption premium as opposed to being issued at a discount, then where such premium does not constitute a payment of interest such Certificates or Notes may constitute "deeply discounted securities" (as mentioned above).

Certificates or Notes which are deeply discounted securities are qualifying corporate bonds and are therefore not subject to tax on chargeable gains.

Certificates or Notes which are "excluded indexed securities" will, notwithstanding that they may satisfy the above requirements, not be treated as deeply discounted securities and therefore any gain will be, subject to the Holder's personal circumstances, within the charge to UK tax on capital gains. A security will only be an excluded indexed security for these purposes if the amount payable on redemption is determined by applying to the amount for which the Certificate or Notes was issued the percentage change (if any) over the Certificate or Note's redemption period in (a) the value of chargeable assets of a particular description, or (b) an index of the value of such assets. The fact that the Certificate or Note provides for a minimum amount payable on redemption not exceeding 10 per cent. of the issue price will not prevent it from satisfying this requirement and any interest payable on redemption is ignored in determining the amount payable on redemption for these purposes.

Capital gains tax

Where Certificates or Notes are denominated in sterling and not capable of redemption in or by reference to any foreign currency they may be treated as qualifying corporate bonds so that no UK taxation on chargeable gains or allowable losses will arise on any sale, redemption or other disposal. This depends upon the Certificates or Notes comprising normal commercial loans at all times which may not be the case where the Certificates or Notes contain a right to acquire other shares or securities, or a return which depends on the results of the Issuers' business or any part of it.

Where Certificates or Notes are denominated in a currency other than sterling or do not comprise normal commercial loans, then provided they are not deeply discounted securities they will be chargeable assets for the purposes of UK capital gains tax with the result that any gain arising may, depending on the Holder's personal circumstances, give rise to a charge to United Kingdom tax on capital gains or an allowable loss.

(ii) Holders within the charge to UK corporation tax

A Holder who is within the charge to UK corporation tax, in particular a company which is resident for tax purposes in the United Kingdom or which is not so resident but carries on a trade in the United Kingdom through a United Kingdom permanent establishment to which the Certificates or Notes are attributable, will generally be chargeable to corporation tax on all the returns on, and profits and gains (whether of an income or capital nature) arising from the holding or disposal of, the Certificates or Notes broadly in accordance with their statutory accounting treatment provided that accounting treatment complies with generally accepted accounting practice. This means in particular that any discount element (together with any interest) and any foreign exchange profits or loss may be taxed (or relieved) as it accrues over the term of the Certificate or Note and not when it is paid or received.

Where a Certificate or Note is split for accounting purposes into a derivative contract and a host loan relationship, the host loan relationship will be taxed as described above. In respect of the derivative contract, where the underlying subject matter is qualifying ordinary shares or mandatory convertible preference shares or a contract for differences where the underlying subject matter is qualifying

ordinary shares listed on a recognised stock exchange and the contract exactly tracks the value of such underlying subject matter, any excess of accounting credits over debits will generally be chargeable to corporation tax on chargeable gains consistently with the way those credits and debits are recognised for accounting purposes but without the benefit of any indexation allowance.

For the purposes of the above, "qualifying ordinary shares" means shares which represent some or all of the issued share capital of the company and which carry a right to share in the profits of the company by way of a dividend or otherwise (provide the rights to share in profits are not restricted to a right to receive fixed rate dividends) and mandatory convertible preference shares means shares which are not qualifying ordinary shares and which are issued on such terms that stipulate that they must be converted into, or exchanged for, qualifying ordinary shares by a specified time.

Holders Not Resident in the United Kingdom

Where interest, discount or premium amounts are received without withholding or deduction for or on account of UK tax, such amounts will not be chargeable in the hands of a Holder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, in the case of a company, a permanent establishment in connection with which such amounts are received or to which the Securities are attributable.

Where interest on Securities has been paid under deduction of UK income tax, Holders who are not resident in the United Kingdom may be able to recover part of the tax deducted if that is provided for in an applicable double tax treaty between the country of residence of the Holder and the United Kingdom.

Holders not resident or ordinarily resident in the United Kingdom will not be within the charge to UK tax on chargeable gains in respect of any Securities save broadly where Securities are held in or used for the purposes of a trade carried on by the non-resident through a branch or agency or, in the case of a company, a permanent establishment, and subject also to certain rules that apply in the case of individuals that are temporary non-residents.

United Kingdom Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

Issue

No UK stamp duty should be payable in respect of the issue of the Securities by the Issuers on the basis that the relevant Security is executed and retained outside the United Kingdom, and that the relevant register in which the Securities are registered if in registered form is also kept outside the United Kingdom.

Transfer

The Issuers do not intend to keep or maintain any register of securities in the United Kingdom and on the basis that no such register is kept or maintained in the United Kingdom:

- (a) no SDRT should be payable in respect of any agreement to transfer securities;
- (b) no stamp duty should be payable on any instrument transferring securities which is executed and retained outside the United Kingdom; and
- (c) stamp duty at 0.5 per cent. could be payable in respect of any document executed in the United Kingdom transferring any security which does not constitute "exempt loan capital" but, as a practical matter, it is unlikely that any such stamp duty would have to be paid.

SDRT at 0.5 per cent. may be payable in relation to any agreement to transfer Securities such as Physical Delivery Warrants or Physical Delivery Certificates which give the Holder the right to allotments of or to subscribe for, or options to acquire or an interest in (or in dividends or other rights arising out of) stock, shares or loan capital in certain companies with a UK connection unless such stock, shares or loan capital would qualify as "exempt loan capital". A company will have a UK connection for these purposes if (i) the company is incorporated in the UK; (ii) a register of the relevant

stock, shares or loan capital is kept in the UK by or on behalf of the company; or (iii) the shares are "paired" with shares in a UK incorporated company within the meaning of Section 99(6B) FA 1986.

Stamp duty at up to 1.5 per cent. may also be payable on the first transfer in the United Kingdom of any security in bearer form which does not constitute loan capital.

Exercise

United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset (such as stock or marketable securities) following the exercise of a Physical Delivery Warrant or Physical Delivery Certificate. SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Warrant or Physical Delivery Certificate following the exercise of the Warrant or Certificate. However, any such liability to SDRT will be cancelled (or, if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

FATCA

On 18 December 2012, HM Treasury and HMRC released the draft International Tax Compliance (United States of America) Regulations 2013 to implement the Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland to improve international tax compliance and to implement FATCA. Assuming the regulations come into force in their current form, they may broaden the scope of information relating to the Holders of the Securities that the Issuer must supply to HMRC and that may be passed on to the U.S. Internal Revenue Service.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Investors should note that the European Commission adopted an amending proposal to the Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Savings Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisors.

OFFERING AND SALE

The Dealers, as applicable, have entered into a Programme Agreement, dated 11 March 2013 (as the same may be amended, restated or supplemented, from time to time, in accordance with the terms thereof, the "**Programme Agreement**"), with MLB, MLICo. and BAC, which sets forth a basis upon which they may from time to time agree to purchase the Securities. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Securities under the Programme.

Save for the approval of this Base Prospectus by the Commission de Surveillance du Secteur Financier for the purposes of the Prospectus Directive, no action has been or will be taken by MLB, MLICo. or BAC that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on MLB, MLICo. or BAC.

UNITED STATES

Notes and Certificates

None of the Notes or Certificates of any series, the Guarantee of BAC, or certain of the Entitlements (if any) with respect thereto, have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any U.S. state securities laws. No Notes or Certificates of any series, or interests therein or Entitlements (if any) with respect thereto, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States of America (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or directly or indirectly offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered to, or for the account or benefit of, any United States Person. "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended and in U.S. Treasury regulations. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery of any Notes or Certificates made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person will not be recognised.

Each Dealer has represented and agreed, and each further Dealer in respect of an issue of Notes or Certificates will be required to agree that it, its affiliates and any person acting on its or their behalf will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Notes or Certificates of such series in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such United States Person. Any person purchasing Notes or Certificates of any series must represent and agree, or by its purchase will be deemed to represent and agree, with the Issuer, the Guarantor, the Dealer or the seller of such Notes or Certificates that (i) it is not a United States Person and it is not located in the United States and was not solicited to purchase the Notes or Certificates, as applicable, while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Notes or Certificates, as applicable, of such series so purchased in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of any United States Person, (iii) it is not purchasing any Notes or Certificates, as applicable, of such series for the account or benefit of any United States Person and (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Notes or Certificates, as applicable, of such series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person. Each Dealer has agreed and each further Dealer in respect of an issue of Notes or Certificates will also be required to agree, and any person purchasing Notes or Certificates of any series must agree, to send each person who purchases any Notes or Certificates of such series from it at or prior to confirmation of sale of any Notes or Certificates, a written confirmation (which shall include the definitions of "United States" and "United States Persons" set forth herein) stating that the

Notes or the Certificates, as applicable, the Guarantee and certain of the Entitlements (if any) have not been registered under the Securities Act or any U.S. state securities laws, and trading in the Notes or the Certificates, as applicable, and the Guarantee has not been approved by the U.S. Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended, and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver Notes or Certificates, as applicable, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person.

Prior to the delivery of the Entitlement in respect of a Physical Delivery Security the holder thereof will be required to represent that, *inter alia*, he is not a United States Person, the Note or Certificate, as applicable, was not exercised on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any exercise thereof. In respect of Notes see Annex 6 to the Terms and Conditions – "Additional Terms and Conditions for Physical Delivery Notes" and in respect of Certificates see "W&C Securities Condition 29".

The Notes and Certificates in bearer form are also subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States Person. Unless otherwise noted, terms used in this paragraph and the next have the meanings given to them by the United States Internal Revenue code of 1986, as amended and applicable U.S. Treasury regulations.

Each Dealer has represented and agreed to the following matters with respect to compliance with applicable U.S. tax law and regulations:

- (a) except to the extent permitted under U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes or Certificates in bearer form to a person who is within the United States or its possessions or to a United States Person (as defined herein), and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions Notes or Certificates in bearer form that are sold during the restricted period;
- (b) each Dealer represents that it has, and has agreed that throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agent who are directly engaged in selling Notes or Certificates in bearer form are aware that such Notes or Certificates in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States Person, except as permitted by the U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D);
- (c) if it is a United States Person, each Dealer represents that it is acquiring the Notes or Certificates in bearer form for purposes of resale in connection with their original issuance and if it retains Notes or Certificates in bearer form for its own account it will only do so in accordance with requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Notes or Certificates in bearer form from a Dealer for the purpose of offering or selling such Notes or Certificates in bearer form during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in sub-clauses (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c); and
- (e) each Dealer agrees that it will obtain from any distributor (within the meaning of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Notes or Certificates from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of sub-clauses (a), (b), (c) and (d) as if such distributor were a Dealer hereunder.

Warrants

None of the Warrants of any series, the Guarantee of BAC, or certain of the Entitlements (if any) with respect thereto have been, or will be, registered under the Securities Act or any U.S. state securities laws. None of the Warrants, the Guarantee nor any Entitlement constitute, or have been marketed as,

contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act of 1936, as amended (the "CEA"), and trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission pursuant to the CEA. Unless a series of Warrants is eligible for sale to qualified institutions buyers ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") who are also qualified purchasers ("QPs") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended, and the rules thereunder, as amended, in the United States or to, or for the account or benefit of, United States Persons who satisfy such criteria, and otherwise in compliance with Rule 144A, no Warrants of any series, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person. Each Dealer has agreed, and each further Dealer in respect of an issue of Warrants will be required to agree, and each holder and each legal and beneficial owner of Warrants will be deemed on purchase to agree, not to engage in hedging transactions with regard to the Warrants unless in compliance with the Securities Act.

If a Warrant eligible for sale in the United States or to, or for the account or benefit of, United States Persons is concurrently eligible for sale to non-United States Persons, any person exercising such Warrants will be required to represent either that it is a QIB who is also a QP or that it is not a United States Person. See "Annex 7 to the Terms and Conditions – Additional Terms and Conditions for Rule 144A Warrants".

Each QIB/QP, as a condition to purchasing Warrants in the United States, or any legal or beneficial interests therein, will be obligated to enter into and remain in compliance with an Investor Representation Letter executed for the benefit of the Dealer, the Issuer and the Guarantor (together with respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer or Guarantor), pursuant to which it will agree, among other things, that any resales of such Warrants may be effected only to or through MLICo. or the Dealer to another QIB/QP, and otherwise in compliance with Rule 144A.

Prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant the holder thereof will be required to represent that, *inter alia*, he is not a United States Person, the Warrant was not exercised on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a United States Person in connection with any exercise thereof. See "Notice to Purchasers and Holders of Securities and Transfer Restrictions".

Each Dealer has represented and agreed and each further Dealer in respect of an issue of Warrants will be required to agree that without the prior written agreement of MLICo. and BAC it will not at any time offer, sell, resell or deliver, directly or indirectly, Warrants of such series in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such United States Person. Each Dealer has agreed and each further Dealer in respect of an issue of Rule 144A Warrants will also be required to agree, and any person purchasing such Rule 144A Warrants must agree, to send each person who purchases any such Rule 144A Warrants from it at or prior to the confirmation of sale, a written confirmation (which shall include the definitions of "United States" and "United States Persons" set forth herein) stating that the Warrants, the Guarantee and certain of the Entitlements (if any) have not been registered under the Securities Act or any state securities laws, and any trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission under the CEA, and stating that such purchaser agrees that it will not at any time offer, sell, resell or deliver Warrants, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person unless effected to or through MLICo. or the Dealer to another QIB/QP, and otherwise in compliance with Rule 144A. MLICo. and BAC have agreed to sales by MLI to Merrill Lynch, Pierce, Fenner & Smith Incorporated or one of its affiliates for re-sale (a) to persons in the United States and (b) to, or for the account or benefit of, United States Persons, in either case, who are QIBs and also QPs and who enter into remain in compliance with an Investor Representation Letter, and otherwise in compliance with Rule 144A and the restrictions set forth herein.

Any person purchasing Warrants of any series (other than a series of Warrants eligible for sale (a) in the United States to QIBs who are also QPs or (b) to, or for the account or benefit of, any United States Person who is a QIB and also a QP) must agree with MLICo. or the seller of such Warrants that, (i) it

will not at any time offer, sell, resell or deliver, directly or indirectly, any Warrants of such series so purchased in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person, (ii) it is not purchasing any Warrants of such series for the account or benefit of any United States Person and (iii) it will not make offers, sales, re-sales or deliveries of any Warrants of such series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as

principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the relevant Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or BAC; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

THE NETHERLANDS

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities (including rights representing an interest in the Securities in global form) which are the subject of this Base Prospectus, shall not be offered, sold, transferred or delivered to the public in The Netherlands unless:

- (i) the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in The Netherlands (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority of The Netherlands or, where appropriate, approved in another Member State and notified to the competent authority of The Netherlands, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer; or
- (ii) in reliance on Article 3(2) of the Prospectus Directive and provided:
 - (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in The Netherlands; or
 - (b) standard logo and exemption wording are incorporated in the final terms in relation to the Securities, advertisements and documents in which the offer is announced, as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA"); or
 - (c) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable.

For the purposes of the above, the expressions (i) "an offer of Securities to the public" in relation to any Securities in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them in the paragraph headed "Public Offer Selling Restriction under the Prospectus Directive"

Securities that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) in definitive form may only be transferred and accepted through the mediation of the Issuer or a member of Euronext Amsterdam NV in accordance with the Savings Certificates Act. Such restrictions do not apply (a) to a transfer and acceptance of Securities in definitive form between individuals not acting in the conduct of a business or profession, (b) to the transfer and acceptance of Securities in definitive form within The Netherlands if all Securities (either in definitive form or as rights representing an interest in the Securities in global form) are issued outside The Netherlands and are not distributed within The Netherlands in the course of primary trading or immediately thereafter or (c) to the initial issue of such Securities to the first holders thereof. If the Savings Certificates Act is

applicable, certain identification requirements in relation to the issue, transfer of or payment on the Securities will have to be complied with. For the purposes of this paragraph Securities that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) are Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

The Guarantor does not have an authorisation from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) for the pursuit of the business of a bank in The Netherlands and therefore does not have a licence pursuant to section 2:11(1), 2:12(1), 2:13(1) or 2:20(1) of the Dutch Financial Supervision Act.

CURAÇAO

The sale of Securities to an Unauthorised Curaçao Person is prohibited under Curaçao law. An **"Unauthorised Curaçao Person"** for the purposes of this Base Prospectus means any citizen or inhabitant of Curaçao (including personal holding companies, corporations, partnerships or other legal entities created or organised under the laws of Curaçao), who is treated as a "resident" as defined in Article 1 of the Foreign Exchange Act of Curaçao and who has not obtained a licence and exemption from the Central Bank of Curaçao and Sint Maarten to participate in the relevant issue of the Securities as described in this Base Prospectus.

ARGENTINA

The Issuers have not made, and will not make, any application to obtain an authorisation from the Comisión Nacional de Valores ("CNV") for the public offering of the Securities in Argentina. The CNV has not approved the Securities, the offering, nor any document relating to the offering of the Securities. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any of such Securities in Argentina, except in transactions that will not constitute a public offering of Securities within the meaning of Section 16 of the Argentine Public Offering Law No 17,811. Argentine insurance companies may not purchase the Securities.

AUSTRALIA

Each Dealer, and each further Dealer appointed under the Programme has acknowledged that it:

- (a) must not make any offer or invitation in Australia or which is received in Australia in relation to the issue, sale or purchase of any Securities unless the offeree or invitee is required to pay at least A\$500,000 for the Securities or its foreign currency equivalent (in either case disregarding amounts, if any, lent by the relevant Issuer or other person offering the Securities or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act 2001 (Cth) of Australia (the **"Australian Corporations Act"**))), or it is otherwise an offer or invitation in respect of which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and provided that in any case the offeree or invitee is not a retail client (within the meaning of section 761G of the Australian Corporations Act); and
- (b) has not circulated or issued and must not circulate or issue a disclosure document relating to the Securities in Australia or which is received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Australian Corporations Act.

Neither Issuer nor BAC is authorised under the Banking Act 1959 of the Commonwealth of Australia (the **"Australian Banking Act"**) to carry on banking business and is not subject to prudential supervision by the Australian Prudential Regulation Authority. The Securities are not Deposit Liabilities under the Australian Banking Act.

BAHRAIN

Any offer of Securities under this Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This document has not been and will not be registered as a prospectus with the Central Bank of Bahrain (the **"CBB"**). Accordingly, no Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this document or any related

document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain. The CBB has not reviewed or approved this document and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for accuracy and completeness of the statement and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. The Securities are only available for subscription to existing accredited investors.

PEOPLE'S REPUBLIC OF CHINA

No offering document has been filed with or approved by the People's Republic of China (the "**PRC**") (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) authorities, and is not an offer of Securities (whether public offering or private placement) within the meaning of the Securities Law or other pertinent laws and regulations of the PRC. No offering document shall be offered to the general public if used within the PRC, and the Securities so offered cannot be sold to anyone that is not a qualified purchaser of the PRC. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except under circumstances that will result in compliance with applicable laws and regulations. Structured products shall not be offered and resold to the general public of the PRC, directly or indirectly.

For Share Linked W&C Securities, in respect of which the LEPW Conditions apply and "Shanghai Stock Exchange" or "Shenzhen Stock Exchange" is specified as the "Exchange" in the relevant Final Terms:

W&C Securities may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, directly or indirectly, in the PRC (excluding Hong Kong, Macau and Taiwan), or to any Domestic Investor. By purchasing any W&C Securities, any purchaser is deemed to acknowledge and agree to the foregoing, and to represent and agree that:

1. it is not (a) a PRC Citizen resident in the PRC (excluding Hong Kong, Macau and Taiwan), (b) a PRC Citizen resident outside the PRC who is not a permanent resident of another country or permanent resident of Hong Kong, Macau or Taiwan, or (c) a Legal Person Registered in the PRC, (each a "**Domestic Investor**");
2. (if the purchaser is a trustee for a trust) interests in the trust are not majority-owned by, and the management decision over the trust is not controlled by, one or more Domestic Investor(s). For the avoidance of doubt, in the case only where a trust's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this representation by reason only of it being able to control the decision-making in relation to the entity's financial, investment and/or operating policies;
3. to the best of its knowledge and belief after enquiries that it reasonably deems necessary, all amounts paid or to be paid by it in respect of W&C Securities did not and will not involve moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC; and
4. it is purchasing W&C Securities as principal and not as agent of any person or entity.

"Legal Person Registered in the PRC" means an entity incorporated or organised in the PRC (excluding Hong Kong, Macau and Taiwan).

"PRC Citizen" means any person holding a resident identification card of the PRC (excluding Hong Kong, Macau and Taiwan).

"trust" includes a trust fund or any similar arrangement where the legal title to the trust assets are held by a trustee or legal representative but the beneficial interests in the trust assets are held by beneficiaries; and "trustee" shall be construed accordingly.

FRANCE

This Base Prospectus has not been approved by the *Autorité des marchés financiers* ("AMF").

Each of the Dealers, each Issuer and BAC has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only made and will only make an offer of Securities to the public (*offre au public*) in France or an admission of Securities to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the AMF, on the date of such publication or, (ii) when a prospectus in relation to those Securities has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and, in either case, when the formalities required by French laws and regulations have been carried out, and ending at the latest on the date which is 12 months after the date of the approval of the prospectus, all in accordance with articles L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) it has only made and will only make an offer of Securities to the public in France or an admission of Securities to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French *Code monétaire et financier* and the *Règlement général* of the AMF; and
- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed this Base Prospectus, the applicable Final Terms or any other offering material relating to the Securities to the public in France, and such offers, sales and distributions have been and will be made in France only to (i) providers of the investment service of portfolio management for the account of third parties and/or, (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The direct or indirect resale of Securities to the public in France may be made only as provided by, and in accordance with, articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

In addition, each of the Dealers, each Issuer and BAC has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the applicable Final Terms, or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Securities (except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the

Securities that are or are intended to be disposed of (i) only to persons outside Hong Kong or (ii) only to "professional investors" as defined in the SFO and any rules made under the SFO.

INDIA

For Share Linked W&C Securities, in respect of which the LEPW Conditions apply and either (i) "National Stock Exchange of India" or "Bombay Stock Exchange" is specified as the "Exchange" in the relevant Final Terms or (ii) "Pre-IPO Share" is specified as applicable in the relevant Final Terms:

(A) By the purchase of any W&C Securities, on the date of purchase and on each day the W&C Securities are being held, each Holder will be deemed to represent and warrant that its purchase of W&C Securities is in full compliance with the following selling restrictions (as set out in paragraphs (A) and (B), the "**Sales Restrictions**") and it undertakes and agrees to the selling restrictions below:

1. W&C Securities shall not be offered, sold or transferred to (i) a "person resident in India" (as such term is defined in the Foreign Exchange Management Act, 1999, as may be amended or supplemented from time to time), or, (ii) a "non-resident Indian" (as such term is defined in the Foreign Exchange Management (Deposit) Regulations, 2000 as may be amended or supplemented from time to time), (each a "**Restricted Entity**");
2. W&C Securities shall not be offered, sold or transferred to any person/entity whose controller is a Restricted Entity.

For the purposes of this representation, a "**controller**" means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who:

- (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity, or
- (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity, or
- (c) who in fact exercises control over an entity.

For the purposes of this representation, "**control**" means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner.

Notwithstanding the foregoing definition, in the case only where an entity's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity's controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity's financial, investment and /or operating policies;

3. W&C Securities shall only be purchased by a principal for its own account and not as an agent, nominee, trustee or representative of any other person and no agreement for the issuance of a back-to-back offshore derivatives instrument ("**ODI**") (as such term is defined for the purposes of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulation 1995 and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time) (collectively referred to as the "**FII Regulations**") can be entered into against the W&C Securities;
4. W&C Securities shall only be offered to a "person regulated by an appropriate foreign regulatory authority" (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the FII Regulations) (a "**Regulated Entity**");

5. W&C Securities shall not be purchased with the intent of circumventing or otherwise avoiding any requirements applicable under the FII Regulations (including, without limitation, any restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in the W&C Securities with, Restricted Entities and persons/entities who are not Regulated Entities); and
 6. W&C Securities cannot be sold, transferred, assigned or novated or otherwise disposed of and no back-to-back ODIs may be entered into and no agreement with respect to any of the foregoing may be entered into by the Warrantholder nominees, associates or affiliates (each, a "**Transfer**") with, an entity which is a Restricted Entity or an entity which is not a Regulated Entity.
- (B) Further, by the purchase of any W&C Securities, each purchaser of the W&C Securities is deemed to have agreed and undertaken as follows (and for the avoidance of doubt, such agreements and undertakings shall survive the maturity or expiration date of such W&C Securities):
- (a) It will, in the case where it or its nominees, associates or affiliates sell, transfer, assign, novate or otherwise dispose of the W&C Securities to, or enter into any back-to-back ODIs or enter into an agreement with respect to any of the foregoing with any party, comply with the restrictions in the paragraph entitled "Restrictions on Transfer" below;
 - (b) The relevant Issuer and its associates/affiliates are authorised to provide information in their possession regarding it, any Transferee, each of the nominees or associates/affiliates of it and/or the Transferee, the W&C Securities and any breach of these representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an "**Authority**") as the relevant Issuer or its associates/affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Authority from time to time, including but not limited to disclosures in periodic reportings made by the relevant Issuer or its associates/affiliates to any Authority;
 - (c) It will and shall procure its nominees or associates/affiliates to, provide the relevant Issuer, the Guarantor or any of their respective associates/affiliates (as the case may be) promptly with such additional information that the relevant Issuer, the Guarantor or any of their respective associates/affiliates (as the case may be) reasonably deems necessary or appropriate in order to comply with regulations or requests of any Authority from time to time;
 - (d) It acknowledges that non-compliance with, or breach, violation or contravention of, the obligations under these Sales Restrictions (including, without limitation, any restrictions with respect to a Transfer) ("**ODI Holder Obligations**") may result in non-compliance with, or breach, violation or contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the relevant Issuer and/or its associates/affiliates and cause irreparable harm to the relevant Issuer and/or its associates/affiliates. Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or contravention of the ODI Holder Obligations by it, the relevant Issuer and/or its associates/affiliates may notify the Authority of the breach, violation or contravention and exercise any rights and take any measures available to the relevant Issuer and/or its associates/affiliates under the terms of the W&C Securities including these Sales Restrictions, or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the W&C Securities by the relevant Issuer or its associates/affiliates; and
 - (e) It will promptly notify the relevant Issuer, the Guarantor or any of their respective associates/affiliates should any of the representations, warranties, agreements and undertakings given by it changes or no longer holds true.

Restrictions on Transfer

The W&C Securities are not transferable except in accordance with the procedures set out in the paragraph below entitled "Transfer Procedures" and any Transfer in violation of this restriction shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of such transfer of such interest by such holder.

Transfer Procedures

Each purchaser of W&C Securities shall not, and shall ensure that none of its nominees, associates or affiliates shall, Transfer any W&C Securities unless the following conditions have been satisfied in the absolute determination of the relevant Issuer prior to such Transfer being undertaken in respect of the W&C Securities:

- (i) each purchaser shall issue a written notice (a "**Transfer Notice**") to the relevant Issuer in such form as the relevant Issuer may determine for the purpose of obtaining the prior written consent of the relevant Issuer, which consent may be provided or withheld by the relevant Issuer acting in its sole and absolute discretion;
- (ii) upon receipt of the Transfer Notice, the relevant Issuer shall have the right to require the person to whom the Transfer is proposed to be made ("**Proposed Transferee**") to provide, and each purchaser shall procure that the Proposed Transferee promptly provides the relevant Issuer with, all such information that the relevant Issuer may require under its client on-boarding programme, anti-money laundering programme or other such regulatory compliance programme or otherwise for confirming the suitability of the Proposed Transferee to acquire or hold the W&C Securities;
- (iii) each purchaser shall provide notice of these selling restrictions (the "**Sales Restrictions**") to the Proposed Transferee; and
- (iv) the Proposed Transferee shall issue a written undertaking to the relevant Issuer in such form as the relevant Issuer may determine in its absolute discretion.

For avoidance of doubt it is clarified that this paragraph shall not apply: (1) in the event the Transfer is pursuant to a buy-back of the W&C Securities by the relevant Issuer or its associates or affiliates, or (2) to the registration on behalf of the holder of any W&C Securities in the name of any custodian, sub-custodian or nominee.

INDONESIA

THE SECURITIES OFFERED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INDONESIAN CAPITAL MARKET LAW (LAW NO. 8/1995) AND THEREFORE ARE NOT AUTHORISED BY THE CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY AGENCY IN INDONESIA AS A PUBLIC OFFERING OF SECURITIES. DUE TO THE COMPLEXITY OF THE SECURITIES OFFERED, THE SECURITIES MAY NOT BE SUITABLE FOR CERTAIN INVESTORS. INVESTORS WHO INTEND TO BUY THE SECURITIES SHOULD CONSULT WITH THEIR FINANCIAL ADVISORS, BROKERS OR OTHER FINANCIAL EXPERTS BEFORE MAKING ANY DECISION TO BUY THE SECURITIES.

ISRAEL

This offer is intended solely for investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended. A prospectus has not been prepared or filed, and will not be prepared or filed, in Israel relating to the Securities offered hereunder. The Securities cannot be resold in Israel other than to investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended.

REPUBLIC OF ITALY

The offering of the Securities has not been registered with *CONSOB-Commissione Nazionale per le Società e la Borsa* (the Italian Companies and Exchange Commission), pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**CONSOB Regulation No. 11971**"), pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"); or
- (b) in other circumstances which are exempted from the rules on offerings of securities to the public pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter, first paragraph, of CONSOB Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Consolidated Banking Act**"), and Regulation No. 16190 of 29 October 2007 (as amended from time to time); and
- (ii) in compliance with Article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Italian Financial Services Act, concerning the circulation of financial products, where no exemption from the rules on offerings of securities to the public applies under (a) and (b) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Italian Financial Services Act affects the transferability of the Securities in the Republic of Italy to the extent that any placing of the Securities is made solely with qualified investors and the Securities are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Securities who are acting outside of the course of their business or profession may be entitled to declare such purchase null and void and to claim damages from any authorised intermediary at whose premises the Securities were purchased, unless an exemption provided for by the Italian Financial Services Act applies.

JAPAN

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**Financial Instruments and Exchange Law**"). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

If the offer is made by way of Qualified Institutional Investors Private Placement as set out in Article 2, Paragraph 3, Item 2(i) of the Financial Instruments and Exchange Law, the Securities are being offered

to qualified institutional investors (the "**QIIs**") as defined in Article 10 of the Cabinet Office Ordinance Concerning the Definition of Terms provided in Article 2 of the Financial Instruments and Exchange Law and the investor of any Securities is prohibited from transferring such Securities in Japan to any person in any way other than to QIIs. As the offering of the Securities satisfies the requirements provided in Article 2, Paragraph 3, Item 2(i) of the Financial Instruments and Exchange Law, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law.

Except in the case the offering is made by way of Qualified Institutional Investors Private Placement or by way of secondary offering to a resident of Japan, the Securities are being offered only to a small number of potential investors (i.e., less than 50 offerees, except QIIs who are offered the Securities pursuant to the Qualified Institutional Investors Private Placement), and the investor of any Securities is prohibited from transferring such Securities in Japan to another person in any way other than as a whole to one transferee. As this offering of the Securities satisfies the requirements provided in Article 2, Paragraph 3, Item 2(ha) of the Financial Instruments and Exchange Law, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law.

THE GRAND DUCHY OF LUXEMBOURG

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that in addition to the circumstances described above in "*Offering and Sale – Public Offer Selling Restriction under the Prospectus Directive*", Dealers may not offer or sell the Securities within The Grand Duchy of Luxembourg unless:

- a. a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier in accordance with the Law of 10 July 2005 on prospectuses for securities as amended from time to time (the "**Prospectus Law**") and implementing Prospectus Directive, as amended by the Law of July 3, 2012 which has implemented in Luxembourg law the 2010 PD Amending Directive; or
- b. if Luxembourg is not the home Member State, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home Member State that the prospectus has been duly approved in accordance with the Prospectus Directive and the 2010 PD Amending Directive; or
- c. the offer is made to "qualified investors" as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognised as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or
- d. the offer benefits from any other exemption to, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

MALAYSIA

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered with the Securities Commission of Malaysia for the offering of the Securities in Malaysia. This Base Prospectus does not constitute and is not intended to constitute an invitation or offer for subscription or purchase of the Securities, nor may this Base Prospectus or any other offering material or document relating to the Securities be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (i) Schedule 5 to the Capital Markets and Services Act 2007 ("**CMSA**"), (ii) Schedules 6 or 7 to the CMSA as an "excluded offer or excluded invitation" or "excluded issue" within the meaning of sections 229 and 230 of the CMSA, and (iii) Schedule 8 so the trust deed requirements in the CMSA are not applicable. No offer or invitation in respect of the Securities may be made in Malaysia except as an offer or invitation falling under Schedules 5 and 6 or 7 and 8 to the CMSA.

PAKISTAN

The Securities are not intended to be offered or sold to any person resident in Pakistan. Accordingly, no person receiving in Pakistan a copy of the applicable Final Terms, may treat the same as constituting an invitation or offer to him to purchase or otherwise deal with such Securities. Further, any dealing in the Securities by residents of Pakistan may attract restrictions under the Pakistani Foreign Exchange Regulation Act, 1947 (VII of 1947) which restrictions may include procuring the consent of State Bank of Pakistan (the Central Bank).

By the purchase of any Securities, each holder of such Securities will be deemed to represent and warrant that it is not a Person who is a resident of Pakistan (a "**Restricted Entity**"). A "**Person**" includes any firm, company, corporation, trust, government, agency, regulatory body, any association or partnership (whether or not having separate legal personality) or any individual, or any combination of two or more of the foregoing. Further, each holder of such Securities will be deemed to undertake and agree that it is in full compliance with the selling restrictions above and it will not offer, sell or transfer such Securities to a Restricted Entity.

PANAMA

The Securities have not been and will not be registered with the National Securities Commission of the Republic of Panama under Decree Law No. 1 of 8 July 1999 (the "**Panamanian Securities Act**") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. The Securities do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the National Securities Commission of the Republic of Panama.

PHILIPPINES

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SECURITIES REGULATION CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

RUSSIA

Each Dealer has represented, agreed and warranted, and each further Dealer appointed under the Programme will be required to represent, agree and warrant, that it has not offered or sold or transferred or otherwise disposed of, and will not offer or sell or transfer or otherwise dispose of, the Securities (as part of their initial distribution or at any time thereafter) to, or for the benefit of, any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation, or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted under Russian law.

Under Russian law, the Securities are securities of a foreign issuer, therefore, Russian securities laws permit the placement and public offering of the Securities in Russia only upon fulfilment of certain admittance procedures (which may include registration of the securities prospectus with the regulator) provided for under Russian law. Neither the issue of the Securities nor a securities prospectus in respect of the Securities has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation or any other state bodies that may from time to time be responsible for such registration. The information provided in this Base Prospectus is not an offer, advertisement, or invitation to make offers, sell, purchase, exchange or otherwise transfer the Securities in the Russian Federation or to or for the benefit of any Russian person or entity.

SINGAPORE

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**") under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**").

Where the Securities are cash settled or where there is physical delivery of Underlying Asset Linked Securities which are shares or units of shares (other than shares or other units of a collective investment scheme) of a corporation (whether incorporated in Singapore or not) or debentures or units of

debentures of an entity, interests in a limited partnership or limited liability partnership formed in Singapore or elsewhere, or such other product or class of products prescribed by the MAS, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Securities or Underlying Assets or caused the Securities or Underlying Assets to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities or Underlying Assets, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities or Underlying Assets are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities or Underlying Assets pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

Where the Fund Linked Securities do not provide for any right or interest (including an option) in respect of units in an underlying fund (which is a "collective investment scheme" (as defined in the SFA) and therefore open-ended), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Fund Linked Securities or caused the Fund Linked Securities to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Fund Linked Securities or cause the Fund Linked Securities to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Fund Linked Securities whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Fund Linked Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Fund Linked Securities pursuant to an offer made under Section 275 or the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

The offer or invitation of the Underlying Assets which constitute units in an underlying fund (the "**Fund**") (which is a "collective investment scheme" (as defined in the SFA) (the "**CIS Reference Items**")) do not relate to a collective investment scheme which is authorised under Section 286 of the SFA or recognised under Section 287 of the SFA. The Fund is not authorised or recognised by the MAS and the CIS Reference Items are not allowed to be offered to the retail public. This Base Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Potential investors should consider carefully whether the investment is suitable for them.

This Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the CIS Reference Items may not be circulated or distributed, nor may the CIS Reference Items be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where CIS Reference Items are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the CIS Reference Items pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 305A(5) of the SFA.

Where the Fund Linked Securities do provide for a right or interest (including an option) in respect of units in a Fund (which is a "collective investment scheme" (as defined in the SFA) (the "**CIS Reference Item**")), the offer or invitation of the Fund Linked Securities of the Programme, which is the subject of this Base Prospectus, does not relate to a collective investment scheme which is authorised under Section 286 of the SFA or recognised under Section 287 of the SFA. The Programme is not authorised or recognised by the MAS and the Fund Linked Securities and the CIS Reference Items are not allowed to be offered to the retail public. This Base Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Potential investors should consider carefully whether the investment is suitable for them.

This Base Prospectus has not been registered as a prospectus with the MAS. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Fund Linked Securities or CIS Reference Items or caused the Fund Linked Securities or CIS Reference Items to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Fund Linked Securities or CIS Reference Items or cause the Fund Linked Securities or CIS Reference Items to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Fund Linked Securities or Underlying Assets whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Fund Linked Securities or CIS Reference Items are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Fund Linked Securities or CIS Reference Item pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 305A(5) of the SFA.

SOUTH KOREA

The Securities have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Securities have been and will be offered in Korea as a private placement under the FSCMA. None of the Securities may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). For a period of one year from the issue date of the Securities, any acquirer of the Securities who was solicited to buy the Securities in Korea is prohibited from transferring any of the Securities to another person in any way other than as a whole to one transferee. Furthermore, the purchaser of the Securities shall comply

with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Securities.

The Dealer has represented warranted and agreed that it has not offered, sold or delivered the Securities, directly or indirectly, or offered or sold the Securities to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea and will not offer, sell or deliver the Securities, directly or indirectly, or offer or sell the Securities to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FSCMA, the FETL and other relevant laws and regulations of Korea.

SRI LANKA

No Sri Lankan resident should invest in the Securities without the approval from the Controller of Exchange.

By purchasing any Securities, each holder of such Securities will be deemed to represent and warrant that the Securities held by it together with any direct holdings of the Underlying Asset would not result in any violations of Sri Lankan law or any disclosures or investment actions being required by it under the Sri Lankan law.

SWITZERLAND

The Securities may not be publicly offered in Switzerland and (i) each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, (A) publicly offer, sell or advertise the Securities in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations or the Swiss Federal Act on Collective Investment Schemes, or (B) publicly distribute or otherwise make publicly available the Base Prospectus (including the applicable Final Terms) or any other document related to the Securities in Switzerland and (ii) each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that neither the Base Prospectus nor any other document related to the Securities constitutes a prospectus in the sense of Article 652a or 1156 of the Swiss Code of Obligations, or a simplified prospectus in the sense of Article 5 of the Swiss Collective Investment Schemes Act.

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that the Securities do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes and they are not subject to approval or supervision by the Swiss Financial Market Supervisory Authority (FINMA).

TAIWAN

The Securities may not be issued, sold, or offered in Taiwan. No subscription or other offer to purchase the Securities shall be binding on the relevant Issuer or the Guarantor until received and accepted by the relevant Issuer or any Dealer outside of Taiwan (the "**Place of Acceptance**"), and the purchase/sale contract arising therefrom shall be deemed a contract entered into in the Place of Acceptance.

REPUBLIC OF TURKEY

Pursuant to Article 15(d)(ii) of the Decree No. 32 Regarding the Protection of the Value of Turkish Currency, Turkish residents may freely (i) purchase and sell securities, money market instruments, and other capital market instruments which are traded on the financial markets outside the Republic of Turkey ("**Turkey**"), with the intermediation of banks, and brokerage entities operating in Turkey; and (ii) transfer the amount of the purchase price of the securities, money market instruments, and any other capital market instruments, abroad through banks in Turkey. However, the provisions of Capital Market Law (Law No. 2499) and the Communiqué Serial No. III/44 provide that no offer, by any means, of any security outside Turkey to Turkish residents can be made without pre-registration of such securities with the Capital Market Board (the "**CMB**").

The Securities are not registered with the CMB under the provisions of the Capital Market Law (Law No. 2499) and the Communiqué Serial No III/44 issued thereunder by the CMB. Accordingly, the Securities cannot be marketed, offered, solicited and consequently sold to Turkish residents without pre-registering the Securities with the CMB.

No information in this Base Prospectus, any Final Terms or any document thereunder is provided for the purpose of offering, marketing and sale by any means of Securities in Turkey. Therefore, this Base Prospectus, any Final Terms or any document thereunder may not be considered as an offer made or to be made to residents of Turkey.

Therefore, it is agreed and understood by the holder that it cannot offer and/or market the Securities in Turkey without registering them with the CMB. However, pursuant to Article 15(d) (ii) of the Decree No. 32 residents of Turkey may freely approach (the first approach must always come from the Turkish resident for the sale and purchase of the Securities) the holder to purchase the Securities and may freely purchase and sell the Securities outside Turkey with the intermediation of banks, and brokerage entities operating in Turkey (authorised pursuant to the CMB regulations) provided that no offer, solicitation or marketing is made by the holder to such Turkish resident for the purpose of sale and purchase of the Securities.

URUGUAY

The Securities have not been registered under the Uruguayan Securities Market Law or recorded in the Uruguayan Central Bank. The Securities are not available publicly in Uruguay and are offered only on a private basis. No action may be taken in Uruguay that would render any offering of the Securities a public offering in Uruguay. No Uruguayan regulatory authority has approved the Securities or passed on the solvency of either of the relevant Issuers or the Guarantor. In addition, any resale of the Securities must be made in a manner that will not constitute a public offering in Uruguay.

GENERAL

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force known by it, or which reasonably should have been known by it in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivery and neither the Issuers nor BAC shall have any responsibility therefor.

None of the Issuers, BAC or the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Neither this Base Prospectus nor any Final Terms constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Base Prospectus and the offering and sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions.

Without prejudice to the generality of any applicable law, each holder of Share Linked W&C Securities, in respect of which the LEPW Conditions apply, expressly consents to the disclosure by the Issuer or the Guarantor or their affiliates to the relevant authorities in the jurisdiction of incorporation or organisation of the Issuer or the Guarantor, Local Jurisdiction (as set out in the applicable Final Terms) or any jurisdiction of tax residence of the Issuer or the Guarantor, information relating to the transaction (including, without limitation, the name of the holder of the W&C Securities and any dates and amounts specified herein) as may be required in order for the Issuer, the Guarantor or any of their affiliates to comply with the laws and regulations of the relevant jurisdictions.

Share Linked W&C Securities, in respect of which the LEPW Conditions apply and Pre-IPO Share is specified to be applicable in the relevant Final Terms, may not be resold or otherwise transferred until

notification of the listing of the Shares on the relevant exchange is given to the holders by the relevant Issuer.

GENERAL INFORMATION

(1) **Authorisation**

The establishment and operation of the Programme was duly authorised by resolutions of the Directors of MLBV on 18 December 2012 and was duly authorised by the Partners of MLICo. on 27 December 2012. The Guarantee will be issued pursuant to authority granted by the Board of Directors of BAC on 9 December 2008 and a Committee duly appointed by the Board of Directors of BAC on 1 January 2013.

(2) **Approval, Listing and Admission to Trading**

Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

(3) **Documents Available**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the specified office of each Agent:

- (i) the constitutional documents of each of MLBV, MLICo. and BAC;
- (ii) the BAC 2012 Annual Report;
- (iii) the BAC Forms 8-K;
- (iv) the MLBV Opening Balance Sheet;
- (v) the MLSA 2010 Accounts, the MLSA 2011 Accounts and the MLSA 2012 Interim Financial Statements;
- (vi) the MLICo. 2010 Accounts, the MLICo. 2011 Accounts and the MLICo. 2012 Interim Financial Statements;
- (vii) the Guarantee;
- (viii) the Agency Agreement;
- (ix) the Programme Agreement;
- (x) a copy of this Base Prospectus;
- (xi) any future prospectuses, Base Prospectus, information memoranda and supplements to this Base Prospectus, any Final Terms or Securities Note and Summary and any other documents incorporated herein or therein by reference; and
- (xii) in the case of a syndicated issue of Securities admitted to trading on the Luxembourg Stock Exchange's regulated market, the syndication agreement (or equivalent document).

In addition, a copy of this Base Prospectus, each Final Terms relating to the Securities which are admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com.

In order to preserve the exemptions for permitted re-sales and transfers pursuant to Rule 144A, MLICo. and BAC have agreed to furnish, upon the request of any holder of a Rule 144A Warrant or a Regulation S/Rule 144A Warrant or of a beneficial interest therein, such information as is specified in Rule 144A(d)(4) under the Securities Act to such holder or beneficial owner or to a prospective purchaser of such Rule 144A Warrant or a Regulation S/Rule 144A Warrant or interest therein in order to permit such holder or beneficial owner to comply with the requirements of Rule 144A in connection with the re-sale, unless, at the time of such request, MLICo. is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is included in the list of foreign private issuers that claim exemption from the registration requirements of Section 12(g) of the Exchange Act (and therefore is required to furnish the SEC with certain information pursuant to Rule 12g3-2(b) under the Exchange Act). This information may be obtained during normal business hours on any weekday at the specified office of the Principal Warrant Agent in Luxembourg or the U.S. Warrant Agent, as applicable.

(4) **Clearing Systems**

Information relating to the form of the Securities and the relevant Clearing Systems is set out in "Form of the Securities" on pages 118 to 124 of this Base Prospectus.

The address of Euroclear is 1 Boulevard du Roi Albert II B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Euroclear France is 115 rue Réaumur, F-75081 Paris-CEDEX 02, France.

The address of Clearstream, Frankfurt is Mergenthalerallee 61, 65760, Eschborn, Germany.

The address of Euroclear Sweden is Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden.

The address of Euroclear Finland is P.O. Box 1110, 00 101 Helsinki, Finland.

The address of DTC is 55 Water Street, New York, New York 10041, United States.

The address of Euroclear UK is 33 Cannon Street, London EC4M 5SB, United Kingdom.

(5) **Auditors and Financial Statements**

MLSA

On 27 April 2009, the Audit Committee of the Board of Directors of BAC, the parent corporation of ML&Co., approved the engagement of PricewaterhouseCoopers LLP ("**PwC**"), as ML&Co.'s principal independent registered public accounting firm to audit ML&Co.'s consolidated financial statements. Prior to the merger with MLBV, MLSA was a wholly owned indirect subsidiary of ML&Co. Concurrent with PwC's appointment as independent accountant of ML&Co., PricewaterhouseCoopers S.à.r.l. became the approved auditor ("*réviseur d'entreprises agréé*") for MLSA, subject to the formal signing of engagement letters specific to these entities. PricewaterhouseCoopers S.à.r.l. is a member of I.R.E. ("*Institut des Réviseurs d'Entreprises*"), which is the professional body of the audit profession in Luxembourg, a profession which is regulated by the Commission de Surveillance du Secteur Financier (the "**CSSF**"). PricewaterhouseCoopers S.à.r.l. is on the public register of approved auditors kept by the CSSF. The address of PricewaterhouseCoopers S.à.r.l. is Route d'Esch 400, L-1471, Luxembourg.

MLBV

The Audit Committee of the board of directors of BAC, the parent corporation of ML&Co, is expected to approve the engagement of PricewaterhouseCoopers Accountants N.V. ("PwC") as independent accountant of MLBV on or about 29 April 2013. PwC N.V. is qualified to practice as auditors in The Netherlands and is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants*). The address of PwC N.V. in Amsterdam is Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, The Netherlands.

MLICo.

On 27 April 2009, the Audit Committee of the board of directors of BAC, the parent corporation of ML&Co., approved the engagement of PwC as ML&Co.'s principal independent accountant to audit ML&Co.'s consolidated financial statements. MLICo. is a wholly owned indirect subsidiary of ML&Co. Concurrent with PwC's appointment as independent accountant of ML&Co., PwC became the auditor for MLICo. subject to the formal signing of engagement letters specific to these entities. PwC is a member of the Institute of Chartered Accountants of England and Wales. The address of PwC in London is 1 Embankment Place, London WC2N 6RH.

BAC

The financial statements of BAC as of 31 December 2012 and 31 December 2011 and for each of the three years in the period ended 31 December 2012, which are incorporated by reference into this Base Prospectus, have been audited by PwC, an independent registered public accounting firm, with respect to BAC within the meaning of the applicable rules and regulations adopted by the SEC and the Public Company Accounting Oversight Board (United States), as stated in the report incorporated therein. PwC is a member of the American Institute of Certified Public Accountants and is registered with the Public Company Accounting Oversight Board (United States). The address of PwC in the United States is 214 North Tryon Street, Suite 3600, Charlotte, North Carolina 28202, United States.

(6) Significant or Material Change

Other than MLBV's merger with MLSA on 31 December 2012, effective as of 1 January 2013, there has been no significant change in the financial or trading position of MLBV since the date of its incorporation on 12 November 2012. There has been no significant change in the financial or trading position of MLICo. since 30 June 2012. There has been no significant change in the financial or trading position of BAC and its subsidiaries on a consolidated basis since 31 December 2012.

There has been no material adverse change in the prospects of MLBV, MLICo. or BAC and its subsidiaries on a consolidated basis since (i) in the case of MLBV, the date of its incorporation on 12 November 2012, (ii) in the case of MLICo., 31 December 2011 and (iii) in the case of BAC, 31 December 2012.

(7) Litigation

Save as disclosed on pages 20 and 229 to 238 of the BAC 2012 Annual Report, none of MLBV, MLICo. or BAC or any subsidiary of BAC is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which MLBV, MLICo. or BAC are aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of MLBV, MLICo. or BAC and its subsidiaries on a consolidated basis.

(8) Conditions for determining price

The price and amount of Securities to be issued under the Programme will be determined by the Issuer and any Dealer at the time of issue in accordance with prevailing market conditions.

(9) **Post-issuance Information**

Neither of the Issuers nor BAC will provide any post-issuance information, unless required by any applicable laws and regulations.

(10) **Passporting**

A request has been made to the CSSF to notify the competent authorities of the following jurisdictions of the approval of the Base Prospectus:

- (a) Finland (*Finanssivalvonta*);
- (b) Ireland (Central Bank of Ireland);
- (c) The Netherlands (*Autoriteit Financiële Markten*);
- (d) Sweden (*Finansinspektionen*); and
- (e) United Kingdom (Financial Services Authority).

(11) **Indication of Yield**

In respect of any relevant Securities, the yield is calculated at the Issue Date on the basis of the Issue Price for such Securities and will be specified in the applicable Final Terms. It is not an indication of future yield.

(12) **Price**

The price at which the Securities are to be offered will be determined on the relevant Trade Date by reference to the Issue Price and market conditions prevailing at the time and an indication of such price will be specified in the applicable Final Terms.

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New York 10104
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Grand Duchy of Luxembourg

SUPPLEMENT No. 4 DATED 22 JULY 2013 TO THE
BASE PROSPECTUS DATED 11 MARCH 2013

Merrill Lynch B.V.
(a Dutch Private Limited Liability Company)

Merrill Lynch International & Co. C.V.
(a Curaçao Limited Partnership)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

Unconditionally and irrevocably guaranteed by

Bank of America Corporation
(a Delaware (U.S.A.) corporation)

This supplement (the "**Supplement**") constitutes a supplement to the base prospectus of Merrill Lynch B.V. ("**MLBV**") and Merrill Lynch International & Co. C.V. ("**MLICo.**") dated 11 March 2013 (the "**Original Base Prospectus**", and, as supplemented on 19 April 2013, 13 May 2013 and 19 June 2013 the "**Base Prospectus**"), prepared in connection with the Note, Warrant and Certificate Programme (the "**Programme**") of MLBV and MLICo., irrevocably guaranteed in respect of Securities issued by MLBV and MLICo. as to payment and non-cash delivery obligations by Bank of America Corporation ("**BAC**"). The Supplement is a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 and amended on 3 July 2012 on prospectuses for securities (the "**Luxembourg Law**"). On 11 March 2013, the Commission de Surveillance du Secteur Financier (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law. Terms defined in the Base Prospectus have the same meanings when used in this Supplement.

This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Each of MLICo., MLBV and BAC accepts responsibility for the information contained in this Supplement and to the best of the knowledge of MLICo. and BAC (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Copies of this Supplement and the document incorporated by reference will be available for collection and inspection as set out in the section entitled "*General Information – Documents Available*" in the Base Prospectus (at pages 527-528) and on the Luxembourg Stock Exchange's website at www.bourse.lu.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors in the European Economic Area who have already agreed to purchase or subscribe for Securities issued under the Programme before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. This right will expire on 24 July 2013. The right to withdraw acceptances does not extend to investors in Securities offered in Switzerland.

Incorporation by Reference

BAC's report on Form 8-K dated 17 July 2013 which was filed with the United States Securities and Exchange Commission (the "SEC") on 17 July 2013 (the "**17 July 2013 Form 8-K**"), have been filed with the CSSF in its capacity as competent authority under Article 21(1) of the Prospectus Directive and, by virtue of this Supplement, the sections of the 17 July 2013 Form 8-K referred to below are incorporated by reference into and form part of the Base Prospectus.

Any information included in the 17 July 2013 Form 8-K that is not listed in the column "*Information incorporated by reference*" below is considered to be additional information and is not required by the relevant schedules of the Prospectus Regulation.

Information Incorporated by Reference

	Page Number
From the 17 July 2013 Form 8-K	
<i>Item 2.02. Results of Operations and Financial Condition</i>	<i>Page 2*</i>
<i>Item 9.01. Financial Statements and Exhibits</i>	<i>Page 2*</i>
<i>Signatures</i>	<i>Page 3*</i>
<i>Index to Exhibits</i>	<i>Page 4*</i>
<i>Exhibit 99.1. The Press Release</i>	<i>Pages 5* to 28*</i>

*These page numbers are references to the PDF pages included in the 17 July 2013 Form 8-K.

SUPPLEMENT No. 5 DATED 29 JULY 2013 TO THE
BASE PROSPECTUS DATED 11 MARCH 2013

Merrill Lynch B.V.
(a Dutch Private Limited Liability Company)

Merrill Lynch International & Co. C.V.
(a Curaçao Limited Partnership)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

Unconditionally and irrevocably guaranteed by

Bank of America Corporation
(a Delaware (U.S.A.) corporation)

This supplement (the "**Supplement**") constitutes a supplement to the base prospectus of Merrill Lynch B.V. ("**MLBV**") and Merrill Lynch International & Co. C.V. ("**MLICo.**") dated 11 March 2013 (the "**Original Base Prospectus**", and, as supplemented on 19 April 2013, 13 May 2013, 19 June 2013 and 22 July 2013, the "**Base Prospectus**"), prepared in connection with the Note, Warrant and Certificate Programme (the "**Programme**") of MLBV and MLICo., irrevocably guaranteed in respect of Securities issued by MLBV and MLICo. as to payment and non-cash delivery obligations by Bank of America Corporation ("**BAC**"). The Supplement is a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 and amended on 3 July 2012 on prospectuses for securities (the "**Luxembourg Law**"). On 11 March 2013, the Commission de Surveillance du Secteur Financier (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law. Terms defined in the Base Prospectus have the same meanings when used in this Supplement.

This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Each of MLICo., MLBV and BAC accepts responsibility for the information contained in this Supplement and to the best of the knowledge of MLICo., MLBV and BAC (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Copies of this Supplement and the document incorporated by reference will be available for collection and inspection as set out in the section entitled "*General Information – Documents Available*" in the Base Prospectus (at pages 527-528) and on the Luxembourg Stock Exchange's website at www.bourse.lu.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors in the European Economic Area who have already agreed to purchase or subscribe for Securities issued under the Programme before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. This right will expire on 31 July 2013. The right to withdraw acceptances does not extend to investors in Securities offered in Switzerland.

Incorporation by Reference

BAC's report on Form 8-K dated 24 July 2013, was filed with the United States Securities and Exchange Commission (the "SEC") on 24 July 2013 (the "**24 July 2013 Form 8-K**"), has been filed with the CSSF in its capacity as competent authority under Article 21(1) of the Prospectus Directive and, by virtue of this Supplement, the sections of the 24 July 2013 Form 8-K referred to below are incorporated by reference into and form part of the Base Prospectus.

Information Incorporated by Reference

	Page Number
From the 24 July 2013 Form 8-K	
<i>Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements or Certain Officers</i>	<i>Page 2</i>
<i>Item 9.01. Financial Statements and Exhibits</i>	<i>Page 2</i>
<i>Signatures</i>	<i>Page 3</i>
<i>Index to Exhibits</i>	<i>Page 4</i>
<i>Exhibit 99.1. The News Release</i>	<i>Pages 5* to 6*</i>

*These page numbers are references to the PDF pages included in the 24 July 2013 Form 8-K.