

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

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
(in respect of Instruments issued by Merrill Lynch B.V., and (other than Secured W&C Instruments) issued by
Merrill Lynch International & Co. C.V.)

by

Bank of America Corporation

*This document (as may be supplemented from time to time, the "**Product Supplement**") constitutes a product supplement in respect of the Programme (as defined below). Any Exchangeable Notes (as defined below) issued on or after the date of this Product Supplement are issued subject to the provisions of the Offering Circular dated 18 May 2018 (as supplemented, the "**Offering Circular**") and herein, if so provided in the Final Terms (as defined below) prepared in relation to such Exchangeable Notes. This Product Supplement does not constitute a prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**"). This Product Supplement is the fifth supplement to the Offering Circular.*

This Product Supplement has been prepared by Merrill Lynch B.V. (the "**Issuer**") as an issuer under the Note, Warrant and Certificate Programme (the "**Programme**") and relates to cash settled exchangeable notes ("**Exchangeable Notes**") which the Issuer may issue from time to time under the Programme.

This Product Supplement should be read and construed in conjunction with the Offering Circular and, in relation to any particular Tranche of Exchangeable Notes, the applicable final terms (the "**Final Terms**").

The terms and conditions of the Exchangeable Notes will be the "Terms and Conditions of the Cash Settled Exchangeable Notes" set out on pages 7 to 42 of this Product Supplement as supplemented and/or modified by the terms of the Final Terms specific to each issue of Exchangeable Notes. Terms used in this Product Supplement but not defined have the meanings given to them in the Offering Circular or the Terms and Conditions of the Exchangeable Notes (the "**Conditions**").

This Product Supplement may be updated and replaced in its entirety from time to time.

The Offering Circular, as supplemented by this Product Supplement, is a "prospectus" for the purposes of the admission to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF of the Exchangeable Notes in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Euro MTF is not a "regulated market" for the purposes of Directive 2014/65/EU on Markets in Financial Instruments (as amended, "MiFID II"). The Offering Circular as supplemented by this Product Supplement does not constitute a prospectus for the purposes of Article 5.4 of the Prospectus Directive. The Offering Circular, as supplemented by this Product Supplement, is not a prospectus for

the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.

This Product Supplement has been prepared on the basis that any offer of Exchangeable Notes in any Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Exchangeable Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Exchangeable Notes which are the subject of an offering contemplated in this Product Supplement and the Offering Circular, as completed by the applicable Final Terms in relation to the offer of those Exchangeable Notes, may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantor and any Dealer has authorised, nor do they authorise, the making of any offer of Exchangeable Notes in circumstances in which an obligation arises for the Issuer, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

Prospective purchasers of the Exchangeable Notes should ensure that they understand the nature of the relevant Exchangeable Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Exchangeable Notes as an investment in light of their own circumstances and financial condition. Exchangeable Notes involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Exchangeable Notes. See risk factors on pages 4 to 6 of this Product Supplement and pages 34 to 95 of the Offering Circular.

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RISK FACTORS

The risk factors set out below in respect of the Exchangeable Notes should be read in conjunction with the risk factors contained on pages 34 to 95 of the Offering Circular.

Risks relating to Exchangeable Notes

The Company will not have participated in the preparation of the applicable Final Terms or in establishing the terms of the Exchangeable Notes

The Company will not have participated in the preparation of the applicable Final Terms or in establishing the terms of the Exchangeable Notes and none of the Issuer, the Guarantor or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning the Company contained in such Final Terms or in the documents from which such information was extracted. Neither the Issuer nor the Guarantor controls the Company and neither is responsible for any disclosure made by the Company. 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 the Company could affect the trading price of the Shares and therefore the trading price of the Exchangeable Notes or amounts payable thereunder.

Exchangeable Notes may be redeemed prior to their Maturity Date

The Conditions provide that the Exchangeable Notes are redeemable at the Issuer's option in certain limited circumstances. In such circumstances, an investor may be compelled to exercise its Exchange Rights earlier than it might otherwise have chosen to do so.

In addition, upon the occurrence of a Nationalisation or Delisting or, if specified as applicable in the relevant Final Terms, a Change in Law or if option contracts in respect of the Shares are traded on Eurex or an Alternative Options Exchange and certain events occur as a result of which such option contracts are settled in accordance with the Eurex Corporate Actions Procedures or the corporate actions procedures of an Alternative Options Exchange, as the case may be, for example following the occurrence of a significant corporate action by the Company, the Issuer will be obliged to or, following the occurrence of a Change in Law where specified in the applicable Final Terms, the Issuer may elect to redeem the Exchangeable Notes early.

Potential investors should consider reinvestment risk in light of other investments available at that time.

Risks attached to the exercise of the Exchange Right

Investors should be aware that the Exchangeable Notes which may be redeemed at the option of the Noteholder during certain times at the Cash Amount, bear additional risk. The value of the Cash Amount will vary depending on the performance during certain specified periods of the underlying Shares, over which the Issuer has no control, and therefore the Cash Amount may be lower or substantially lower than the value of the Exchangeable Notes when they were initially purchased or when the Exchange Rights were exercised.

There is a limited period during which the Noteholders may exercise Exchange Rights

A Noteholder will have the right to require his or her Exchangeable Notes to be redeemed by the Issuer in accordance with the Conditions; upon which, the Issuer will procure that the exchanging Noteholder receives a Cash Amount (such amount based on the prevailing volume-weighted average price of the Shares during a specified period following the relevant Exchange Date). The Exchange Right may only be exercised by a Noteholder during limited periods and subject to the satisfaction of any applicable Exchange Conditions, each as described, in "Terms and Conditions – Exchange of Exchangeable Notes". If the Exchange Rights are not

exercised by Noteholders during an applicable Exchange Period and/or any applicable Exchange Condition is not satisfied, the Exchangeable Notes will be redeemed at their Final Redemption Amount on the Maturity Date (unless previously redeemed or purchased by the Issuer, the Guarantor or any of their respective Affiliates) pursuant to the Conditions, which will be calculated by reference to the price of the Shares at the relevant time.

Holders of Exchangeable Notes have limited anti-dilution protection

The Exchange Price at which the Exchangeable Notes will be redeemed will be adjusted if there is a payment of a dividend which affects such Shares, but only in the situations and only to the extent provided under the Conditions.

There is no requirement that there should be an adjustment for every other corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Exchangeable Notes.

In particular, to the extent specified as applicable in respect of any series of Exchangeable Notes, as long as there are option contracts in respect of the Shares traded on Eurex and under the Eurex Corporate Actions Procedures there is an adjustment made by Eurex to such options contracts there will be an adjustment of the Exchange Price to reflect the adjustments effected by Eurex following a corporate action, other than a Dividend, Nationalisation or Delisting or, if specified as applicable in respect of any series of Exchangeable Notes, a Change in Law.

Additionally, to the extent specified as applicable in respect of any series of Exchangeable Notes, if option contracts in respect of the Shares are not traded on Eurex but are traded on an alternative options exchange the Calculation Agent will adjust the Exchange Price to reflect any adjustment effected in respect of any options contracts by such alternative options exchange following a corporate action, other than a Dividend, Delisting or Nationalisation or, if specified as applicable in respect of any series of Exchangeable Notes, a Change in Law.

Furthermore, upon the occurrence of a Nationalisation and/or a Delisting, the Issuer shall, and upon the occurrence of Change in Law (if applicable), the Issuer may elect to, redeem all but not some only of the Exchangeable Notes outstanding at the Automatic Early Redemption Amount, and no adjustment shall be made to the Exchange Price.

To the extent that an adjustment (or no adjustment as the case may be) is made to the Exchange Price upon the occurrence of any corporate action in accordance with the Conditions applicable to any series of Exchangeable Notes, such adjustment (or lack of adjustment as the case may be) may have a material adverse impact on the price or value of the Exchangeable Notes and may materially adversely impact the level of any applicable Cash Amount, Automatic Early Redemption Amount or Final Redemption Amount.

Holders of Exchangeable Notes bear the risk of fluctuation in the price of the Shares

The market price of the Exchangeable Notes is expected to be affected by fluctuations in the market price of the Shares and it is impossible to predict whether the price of the Shares will rise or fall. The share price of listed companies can be highly volatile and their shares may have limited liquidity at certain times. In addition, equity market conditions may affect the price and market liquidity of Shares regardless of the performance of the Company. Equity market conditions are affected by many factors, such as such as interest and price levels on the capital markets, currency developments, the political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy, changes in investor sentiment towards particular market sectors and the demand for and supply of capital. Trading in the Shares by other investors, such as large purchases or sales of the Shares, may also affect the Share Price. Accordingly, the market price of Shares (and therefore, the Cash Amount receivable on any exercise of the Exchange Rights or any Automatic Early Redemption Amount or Final Redemption Amount) may not reflect the underlying value of the Company's investments. The Company's results and prospects from time to time may be below the

expectations of market analysts and investors. Any decline in the market price of the underlying Shares at any time may accordingly have an adverse effect on the market price of the Exchangeable Notes and may have a corresponding negative impact on any Cash Amount, Automatic Early Redemption Amount or Final Redemption Amount payable in respect of the Exchangeable Notes. These factors are not within the Issuer's or the Guarantor's control and may result in a decline in the value of the Exchangeable Notes.

In addition, for the purposes of calculating the Cash Amount payable on any exercise of Exchange Rights, the Exchange Date by reference to which the relevant Cash Amount is calculated will, unless otherwise specified in the applicable Final Terms, be the Business Day immediately following the last day of the Exchange Period in which the Exchange Right was exercised. If so, Noteholders will be exposed to any decline in the market price of the Shares between the Exchange Notice Delivery Date and the Exchange Date, which decline may have a corresponding negative impact on the Cash Amount payable in respect of such Exchangeable Notes.

Holders of Exchangeable Notes will not receive physical Shares and will have no shareholder rights

Holders of the Exchangeable Notes upon exercise of their Exchange Rights will not receive any Shares and will not have any voting rights, nor any right to receive dividends or other distributions or any other rights with respect to such Shares. Neither the Issuer nor the Guarantor is required under the Conditions to deliver any Shares at any point.

Exchangeable Notes do not represent a claim against or an investment in the Company and investors will not have any right of recourse under the Exchangeable Notes to the Company or the Shares. Exchangeable Notes are not in any way sponsored, endorsed or promoted by the Company and the Company has no obligation to take into account the consequences of its actions for any Noteholders. Accordingly, the Company may take any actions in respect of such Shares without regard to the interests of the investors in the Exchangeable Notes, and any of these actions could adversely affect the market value of the Exchangeable Notes and may adversely impact the value of any Cash Amount, Automatic Early Redemption Amount or Final Redemption Amount payable in respect of the Exchangeable Notes.

TERMS AND CONDITIONS OF THE CASH SETTLED EXCHANGEABLE NOTES

The following are the "Terms and Conditions of the Cash Settled Exchangeable Notes" which will be incorporated by reference into each Global Note (as defined below) 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 Individual Note Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Individual Note Certificate will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (as defined below) in relation to any Tranche (as defined below) of Exchangeable Notes (as defined below) 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 Tranche of Exchangeable Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Individual Note Certificate.

This Exchangeable Note is one of a Series (as defined below) of cash settled exchangeable notes (the "**Exchangeable Notes**") issued by Merrill Lynch B.V. ("**MLBV**" or the "**Issuer**"), and references to the Issuer shall be construed accordingly. References herein to the "Exchangeable Notes" shall be references to the Exchangeable Notes of a Series and shall mean:

- (a) in relation to any Registered Note represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any Definitive Registered Notes issued in exchange for a Global Note.

Exchangeable Notes issued by MLBV have the benefit of an Amended and Restated English Law Agency Agreement dated 18 May 2018 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**English Law Agency Agreement**") which is governed by English law and made among MLBV, Merrill Lynch International & Co. C.V., Bank of America Corporation ("**BAC**") in its capacity as Guarantor, Bank of America, N.A. (operating through its London Branch) in its capacity as principal paying agent and transfer and exchange agent (the "**Principal Paying Agent**"), Bank of America Merrill Lynch International Limited, Dublin Branch in its capacity as registrar (the "**Registrar**") and the other agents named therein.

References herein to the "**Principal Paying Agent**" and the "**Registrar**" shall include any additional or successor principal paying agent or registrar appointed pursuant to the English Law Agency Agreement.

References herein to the "**Agents**" are to the Registrar and the Principal Paying Agent, and any reference to an "**Agent**" is to any one of them.

The applicable Final Terms (the "**Final Terms**") for the Exchangeable 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 Exchangeable Note which supplement these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of the Exchangeable 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 Exchangeable Note.

The payment of the Final Redemption Amount, Cash Amounts (as defined below), interest, and all other amounts payable in respect of Exchangeable Notes issued by MLBV are unconditionally and irrevocably guaranteed by BAC (in such capacity, the "**Guarantor**") pursuant to a guarantee (the "**Guarantee**") dated 18 May 2018 executed by BAC. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Holders of the Exchangeable Notes issued by MLBV at its specified office.

Any reference to "**Noteholders**" or "**Holders**" shall mean the person in whose name a Registered Note is registered and in relation to any Exchangeable Notes represented by a Global Note, shall be construed as provided below.

As used herein, "**Tranche**" means Exchangeable Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Exchangeable Notes together with any further

Tranche or Tranches of Exchangeable 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 (if applicable) and/or Issue Prices (each as defined below).

The Holders of the Exchangeable Notes issued by MLBV are entitled to the benefit of the Notes Deed of Covenant (the "**MLBV Notes Deed of Covenant**") dated 18 May 2018 and made by MLBV. The original of the MLBV Notes Deed of Covenant is held by a common depository for Euroclear and Clearstream, Luxembourg (each as defined below) (the "**Common Depository**").

Copies of the English Law Agency Agreement, the Guarantee and the MLBV Notes Deed of Covenant are available for inspection during normal business hours at the specified office of the Principal Paying Agent. Copies of the applicable Final Terms are available for viewing at the specified office of the Issuer and the Principal Paying Agent only by a Noteholder holding one or more Exchangeable Notes and such Noteholder must produce evidence satisfactory to the Issuer or the Principal Paying Agent as to its holding of such Exchangeable Notes and identity. The Offering Circular and any supplement thereto and, in the case of Exchangeable Notes admitted to trading on the Luxembourg Stock Exchange's Euro MTF, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Final Terms relating to Exchangeable Notes listed and/or admitted to trading on any other stock exchange or market will be published in accordance with the rules and regulations of such stock exchange or market.

The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the English Law Agency Agreement, the Guarantee, the MLBV 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 English Law Agency Agreement.

Words and expressions defined in the English Law 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 English Law Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination and Title**

The Exchangeable Notes are issued in registered form ("**Registered Notes**") and, in the case of Individual Note Certificates, serially numbered, in the Specified Currency and the Specified Denomination(s). Exchangeable Notes of one Specified Denomination may not be exchanged for Exchangeable Notes of another Specified Denomination, or subdivided or reissued in a smaller denomination.

The Exchangeable Notes may either bear interest at a fixed rate ("**Fixed Rate Exchangeable Notes**") or they will not bear interest as specified in the applicable Final Terms.

Subject as set out below, title to Registered Notes shall, 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 English Law Agency Agreement.

For so long as any of the Exchangeable Notes are represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Exchangeable Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Exchangeable 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 Exchangeable Notes for all purposes other than with respect to the payment of principal, premium (if any), Cash Amounts or interest or any other amounts payable on such nominal amount of such Exchangeable Notes, for which purpose the registered holder of the relevant Global 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 Exchangeable 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, 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 Paying Agent from time to time and notified to the Noteholders in accordance with Condition 20 (*Notices*).

2. Exchange of Global Note and Transfer

(a) *Exchange of Global Note*

In the case of an exchange of a Global Note for one or more Individual Note Certificates, the Registrar will reflect any such exchange on the Register, and one or more new Individual Note Certificates will be issued to the designated transferee or transferees.

(b) *Exchangeable Notes held in Euroclear and Clearstream, Luxembourg*

Exchangeable 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 and/or Clearstream, Luxembourg, as the case may be.

(c) *Transfer of Definitive Registered Notes and Global Notes*

Subject to Condition 2(f) (*Closed Periods*), transfers of Definitive Registered Notes or Global Notes are effected upon the surrender (at the specified office of the Principal Paying Agent) of the Individual Note Certificates or Global Note, as applicable, to be transferred together with the form of transfer endorsed on such Individual Note Certificates or Global Note, as applicable (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 by the person shown as the registered holder on the Register, or its attorney duly authorised in writing, and such other evidence as the Principal Paying Agent may reasonably require. The Registrar will reflect any such transfer on the Register. In the case of the transfer of all of a holding of Exchangeable Notes represented by one Individual Note Certificate or Global Note, as applicable, the Principal Paying Agent will cancel the Individual Note Certificate or Global Note, as applicable, surrendered by the transferor, and one new Individual Note Certificate or Global Note, as applicable, will be issued to the designated transferee (following the transferee's surrender of any existing Individual Note Certificate or Global Note, as applicable, in respect of Exchangeable Notes of that Series). In the case of a transfer of part only of a holding of Exchangeable Notes represented by one Individual Note Certificate, a new Individual Note Certificate will be issued to the designated transferee (following the transferee's surrender of any existing Individual Note Certificate in respect of Exchangeable Notes of that Series) and a further new Individual Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Definitive Registered Notes of a Series to a transferee who is already a Holder of such Series, a new Individual Note Certificate representing the enlarged holding shall only be issued against surrender of the Individual Note Certificate representing the existing holding. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except as described above in Condition 2(b) (*Exchange of Global Note and Transfer – Exchangeable Notes held in Euroclear and Clearstream, Luxembourg*).

(d) *Exercise of Options or Partial Redemption in Respect of Exchangeable Notes*

In the case of a partial redemption of, a holding of Exchangeable Notes represented by a Global Note including, for the avoidance of doubt, a partial redemption following exercise by a Noteholder of the Exchange Right pursuant to Condition 7(a) (*Exchange Period and Exchange Price*), the Registrar shall make such entries in the Register to reflect the exercise of such option or in respect of the balance of the holding not redeemed.

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 balance of the holding not redeemed. New Individual Note Certificates shall only be issued against surrender of the existing Individual Note Certificate to the Principal Paying Agent.

(e) *Delivery of New Individual Note Certificates and Global Notes*

Each new Individual Note Certificate or Global Note to be issued pursuant to this Condition 2 (*Exchange of Global Note and Transfer*) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the Individual Note Certificate or Global Note, as applicable, for exchange. Delivery of the new Individual Note Certificate(s) or Global Note, as applicable, shall be made at the specified office of the Principal Paying Agent to whom delivery or surrender of such request for exchange, form of transfer, or Individual Note Certificate or Global Note 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 or Global Note (as applicable) to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Principal Paying Agent the costs of such other method of delivery and/or such insurance as it may specify.

(f) *Closed Periods*

No Holder may require the transfer of Exchangeable Notes to be registered:

- (i) during the period beginning on the Record Date and ending on the due date for redemption of, or payment of any amount of interest, in respect of, that Exchangeable Note;
- (ii) after any such Exchangeable Note has been called for redemption;
- (iii) during the period beginning on the Record Date and ending on the date fixed for any meeting of Noteholders, or any adjourned meeting of Noteholders;
- (iv) during the period of seven calendar days ending on (and including) any Record Date; or
- (v) if the Registrar learns that the proposed transfer or exchange would violate any legend contained on the face of such Global Note or Individual Note Certificate.

Unless otherwise specified, as used herein "**Record Date**" means (i) in respect of any Definitive Registered Notes, the close of business (London time) on the 15th calendar day and (ii) in respect of any Global Notes, the close of business on the Relevant Clearing System Business Day, in each case, prior to the applicable due date for redemption of an Exchangeable Note, or the payment of any amount of interest in respect of an Exchangeable Note, or the date fixed for any meeting, or adjourned meeting, of holders of Exchangeable Notes, where "**Relevant Clearing System Business Day**" means a day on which the relevant clearing system through which the Exchangeable Notes are held is open for business.

For the avoidance of doubt, this Condition 2(f) (*Exchange of Global Note and Transfer – Closed Periods*) shall not apply to or restrict the Issuer's ability to purchase an outstanding Series of Exchangeable Notes pursuant to Condition 11 (*Redemption and Purchase*).

(g) *Exchange or Transfer Free of Charge*

Exchange and transfer of Exchangeable Notes on registration, transfer, partial redemption, partial repayment, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer or the Principal Paying Agent, but upon payment by the Holder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Principal Paying Agent may require).

3. **Status of the Exchangeable Notes and the Guarantee**

The Exchangeable Notes issued by MLBV 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 MLBV.

In respect of Exchangeable Notes issued by MLBV, 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.

Terms of the Guarantee

Under the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed to the holders of Exchangeable Notes issued by MLBV under the terms of the English Law Agency Agreement, the due and punctual payment of any and all amounts payable by MLBV as obligor in respect of such Exchangeable Notes when and as the same shall become due and payable pursuant to the Conditions and to the extent provided in the Guarantee.

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 on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 calendar days' prior notice to the Noteholders in accordance with Condition 20 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Exchangeable Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Exchangeable Notes shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Exchangeable Note equal to the nominal amount of that Exchangeable Note 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, 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 Exchangeable Notes may be listed, 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 Exchangeable Notes will be calculated by reference to the aggregate nominal amount of Exchangeable Notes 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 Registered Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer, in the denominations of €100,000 or any incremental amounts of €1,000 and (but only to the extent of any remaining amounts less than €100,000 or any incremental amounts of €1,000 or such other smaller denominations as the Principal Paying Agent may approve) €0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
- (d) the payment obligations contained in any Exchangeable Notes issued prior to the Redenomination Date will become void on the date on which the Issuer gives notice (the "**Redenomination Notice**") that replacement euro-denominated Exchangeable Notes are available for exchange (provided that such securities are so available) and no payments will be made in respect of them, although those Exchangeable Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Exchangeable Notes will be issued in exchange for Exchangeable Notes denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Redenomination Notice. No Redenomination Notice may be given less than 15 calendar days prior to any date for payment of principal or interest (if any) on the Exchangeable Notes;
- (e) after the Redenomination Date, all payments in respect of the Exchangeable Notes, other than payments of interest (if any) in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Exchangeable 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 Exchangeable Notes are Fixed Rate Exchangeable 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 Exchangeable 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 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 Exchangeable Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Exchangeable 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;

- (g) such other changes shall be made to this Condition 4 (*Redenomination*) as the Issuer may decide, after consultation with the Paying Agents 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 Exchangeable Notes) any date for payment of interest under the Exchangeable Notes or (in the case of Exchangeable Notes which do not bear interest) 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.

5. **Definitions**

In these Conditions, unless otherwise provided:

"Affiliate" has the meaning given to it in Condition 12(e) (*Definition of Affiliate*);

"Alternative Options Exchange" has the meaning given to it in Condition 8(a) (*Adjustment of Exchange Price and Shares*);

"Automatic Early Redemption Amount" means, in respect of each Specified Denomination of the Exchangeable Notes, the higher of (a) the Specified Denomination; and (b) the fair value per Exchangeable Note of such Specified Denomination, being the fair value per Exchangeable Note on the Relevant Announcement Date as determined by the Calculation Agent in good faith taking into account, inter alia, the Exchangeable Note Market Price on the Relevant Announcement Date, the Volume Weighted Average Price on the Relevant Announcement Date, the yield to maturity of any senior unsecured notes of, or guaranteed by, the Issuer with a similar final maturity date to the Exchangeable Notes, settlement of a hedge amount, if any and any other market parameter the

Calculation Agent deems in good faith to be relevant for the valuation of the Exchangeable Notes on the Relevant Announcement Date.

"Automatic Early Redemption Date" means the day falling on the number of Exchange Business Days following the Relevant Announcement Date specified in the applicable Final Terms under the heading "Automatic Early Redemption Date";

"Averaging Date" has the meaning given to it in Condition 7(d) (*Cash Amount*);

"Business Day" has the meaning given to it in Condition 23 (*Business Days*);

"Calculation Agent" means the calculation agent specified in the relevant Final Terms;

"Cash Amount" has the meaning given to it in Condition 7(d)(i) (*Cash Amount*);

"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 the Issuer will, or a Hedging Counterparty notifies the Issuer or any of the Issuer's Affiliates that it has determined that, (X) it has become illegal to hold, acquire or dispose of Shares, any Hedge Transactions or the Exchangeable Notes or effect its necessary Hedging Activities, or (Y) it would incur a materially increased cost in performing its obligations under, in the case of the Issuer, the Exchangeable Notes or Hedge Transactions, or, in the case of an Affiliate of the Issuer, a Hedge Transaction, or, in the case of a Hedging Counterparty, any Hedge Transactions or in effecting its Hedging Activities (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);

"Closing Price" means, in respect of any Share, on any Scheduled Trading Day, the official closing price on such Scheduled Trading Day of a Share on the Relevant Stock Exchange as published by or derived (in the case of an Original Underlying Share) from the Relevant Screen Page specified in the applicable Final Terms on the Bloomberg information system (or any successor page) (using the setting labelled "Last Price" or any equivalent successor label to this setting) or (in any other case) from the equivalent page and setting in respect of the Relevant Stock Exchange for the Share (as determined by the Calculation Agent), if any or, in any such case, such other source as shall be determined to be appropriate by the Calculation Agent on such Scheduled Trading Day; *provided that*, if on any such Scheduled Trading Day such price is not available or cannot otherwise be determined as provided above, the Closing Price of a Share in respect of such day shall be the Closing Price, determined as provided above, on the immediately following day on which the same can be so determined as aforesaid or, if such price cannot be so determined, as determined in good faith by the Calculation Agent;

"Company" means the company specified in the relevant Final Terms, which is the issuer of the Shares;

"Daily Cash Amount", or **"DCA"**, has the meaning given to it in Condition 7(d)(i) (*Cash Amount*);

"Delisting" has the meaning given to it in Condition 10(b) (*Nationalisation or Delisting*);

"Disrupted Day" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Dividend" has the meaning given to it in Condition 8(a)(v) (*Adjustment of Exchange Price and the Shares- Definitions*);

"Dividend Taxes" means, in respect of a Share and a Dividend, any amounts that would have been withheld for or on account of tax if such Dividend was paid to the Issuer, the Dealer or any Affiliate as the holder of one Share, and excluding any reduction of such tax that is available to the Issuer, the Dealer or any Affiliate pursuant to a double tax treaty or any other applicable domestic exemption, as determined by the Calculation Agent;

"Early Closure" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Early Redemption Amount" means, unless otherwise specified in the applicable Final Terms, 100 per cent of the outstanding nominal amount together, if applicable, with accrued but unpaid interest to (but excluding) the date fixed for redemption;

"Eurex" means Eurex Exchange or its successor or any substitute exchange to which trading in options contracts relating to the Shares has temporarily or permanently relocated, as determined by the Calculation Agent;

"Eurex Corporate Actions Procedures" means the standard corporate actions procedures of Eurex, in effect from time to time;

"Event of Default" has the meaning given to it in Condition 15 (*Events of Default*);

"Exchange Business Day" means any Scheduled Trading Day on which the Relevant Stock Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Relevant Stock Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Condition" has the meaning provided in Condition 7(a) (*Exchange Period and Exchange Price*);

"Exchange Date" has the meaning provided in Condition 7(d) (*Cash Amount*);

"Exchange Disruption" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Exchangeable Note Market Price" means, in respect of any Scheduled Trading Day, the market price per Specified Denomination of the Exchangeable Notes, being the price per Specified Denomination of the Exchangeable Notes (i) as derived from the relevant Bloomberg page (if any) on which the price of the Exchangeable Notes is displayed (setting "Last Price" or any successor setting) as at the close of business on such Scheduled Trading Day, as determined by the Calculation Agent (the "**Bloomberg Generic Price**"), or (ii) if such Bloomberg page is not available on such day, as derived by the Calculation Agent from any substitute Bloomberg page or from any successor to Bloomberg, as determined by the Calculation Agent, or (iii) if such substitute page or successor service is not available on such day, as derived from such other public source (if any) providing substantially similar market data to such Bloomberg page as the Calculation Agent shall consider appropriate, or (iv) failing such source, as derived from such other source (if any) displaying trading prices in respect of the Exchangeable Notes provided by at least three leading institutions as the Calculation Agent shall consider appropriate; *provided that* if, in the opinion of the Issuer, the relevant quotation of the Bloomberg Generic Price or, as the case may be, the quotation on any successor page or service or other public source is materially different from the reality of traded prices, the Calculation Agent will determine the Exchangeable Note Market Price in such other commercially reasonable manner as the Issuer and such Calculation Agent may agree or, in the absence of agreement, in such manner as may be determined by the Calculation Agent;

"Exchange Notice" has the meaning given to it in Condition 7(b) (*Procedure for Exercise of Exchange Rights*);

"Exchange Notice Delivery Date" has the meaning given to it in Condition 7(b) (*Procedure for Exercise of Exchange Rights*);

"Exchange Period" has the meaning given to it in Condition 7(a)(ii) (*Exchange Period and Exchange Price*);

"Exchange Premium" means the percentage above the Share Reference Price specified in the applicable Final Terms under the heading "Exchange Premium";

"Exchange Price" per Share is initially equal to the Share Reference Price multiplied by the sum of (i) one and (ii) the Exchange Premium expressed as a decimal (rounded to four decimal places, with 0.00005 being rounded upwards), as adjusted from time to time by the Calculation Agent in accordance with these Conditions;

"Exchange Redemption Date" means, unless otherwise specified in the applicable Final Terms, the fifth Business Day following the last Averaging Date used to determine the Cash Amount;

"Exchange Right" has the meaning given to it in Condition 7(a)(i) (*Exchange Period and Exchange Price*);

"Extraordinary Resolution" has the meaning given to it in the English Law Agency Agreement;

"Fair Market Value" means, unless otherwise specified in the applicable Final Terms, with respect to any property on any date:

- (i) in the case of an Ordinary Cash Dividend, the amount of such Ordinary Cash Dividend;
- (ii) in the case of a Special Cash Dividend, the amount of such Special Cash Dividend minus any applicable Dividend Taxes, as determined by the Calculation Agent;
- (iii) in the case of any cash, the amount of such cash;
- (iv) in the case of Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined by the Calculation Agent), the arithmetic mean of the daily Volume Weighted Average Prices of such Securities, options, warrants or other rights or assets during the period of five Scheduled Trading Days on the Relevant Stock Exchange for such Securities, options, warrants or other rights or assets commencing on such date (or, if later, the first such Scheduled Trading Day on which such Securities, options, warrants or other rights or assets are publicly traded) or such shorter period as such Securities, options, warrants or other rights or assets are publicly traded;
- (v) in the case of Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined by the Calculation Agent), the fair market value of such Securities, options, warrants or other rights or assets as determined by the Calculation Agent on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Share, the dividend yield of a Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, options, warrants or other rights or assets, including as to the expiry date and exercise price (if any) thereof;

Such amounts shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, the Fair Market Value shall, other than in respect of a Special Cash Dividend as set out in sub-paragraph (ii) above, be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

"Final Redemption Amount" has the meaning given to it in Condition 11(a)(ii) (*Redemption at Maturity*);

"Hedging Activities" means any activities or transactions undertaken in connection with the establishment, maintenance, adjustment or termination of a Hedge Transaction;

"Hedging Counterparty" means a counterparty to a Hedge Transaction of (i) the Issuer or (ii) any of the Issuer's Affiliates;

"Hedge Transaction" means: (i) with respect to the Issuer or any of its Affiliates, a transaction including a share option transaction (a "**Transaction**") or asset the Issuer or its Affiliate deems appropriate to hedge the equity price risk of entering into and performing its obligations with respect to the Exchangeable Notes; or (ii) with respect to a Hedging Counterparty, (a) any Transaction or (b) any purchase, sale, entry into or maintenance of one or more (1) positions or contracts in securities, options, futures, derivatives or foreign exchange, (2) stock loan transactions or (3) other instruments or arrangements (howsoever described) by a Hedging Counterparty (or an Affiliate thereof) to hedge, individually or on a portfolio basis, a Transaction;

"Issue Date" means the Issue Date specified in the applicable Final Terms;

"Interest Payments Dates" means the dates so specified in the applicable Final Terms;

"Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

"Maturity Date" means the maturity date specified in the applicable Final Terms;

"Market Disruption Event" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Maturity Averaging Date" has the meaning given to it in Condition 11(a)(ii) (*Redemption at Maturity*);

"Maturity Daily Cash Amount" has the meaning given to it in Condition 11(a)(ii) (*Redemption at Maturity*);

"Nationalisation" has the meaning given to it in Condition 10 (*Nationalisation or Delisting*);

"Optional Redemption Notice" has the meaning given to it in Condition 11(b) (*Redemption at the Option of the Issuer*);

a **"person"** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

"Prevailing Rate" means, in respect of a pair of currencies on any day, the spot rate (setting "Mid price") of exchange between the relevant currencies prevailing as at 5 p.m. (London time) on that date as appearing on or derived from the Relevant Page (using, where the Relevant Page is a Bloomberg page, the time zone "London", or, if not available, any other fixing rate page (if any) on Bloomberg as determined by the Calculation Agent to be appropriate) or, if such a rate cannot be determined at such time, the rate prevailing as at 5 p.m. (London time) on the immediately succeeding day on which such rate can be so determined or if such rate cannot be so determined, the rate determined in such other manner as the Calculation Agent shall deem in good faith appropriate;

"Record Date" has the meaning given to it in Condition 2(f) (*Closed Periods*);

"Register" means the relevant register held by the Registrar in respect of the Registered Notes;

"Related Exchange" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Relevant Announcement Date" means (i) in respect of an early redemption of the Exchangeable Notes pursuant to Condition 11(c) (*Settlement of Options Contracts*) the date of announcement of settlement of all relevant options contracts in respect of the Shares traded on the Related Exchange, (ii) in respect of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (iii) in the case of a Delisting, the date of the first public announcement by the Relevant Stock Exchange that the Shares will cease to be listed, traded or publicly quoted, whichever is earlier, and (iv) in respect of a Change in Law, the date on which the Issuer determines that a Change in Law has occurred or on which the Issuer or any of its Affiliates receives a notice from a Hedging Counterparty that it has determined that a Change in Law has occurred;

"Relevant Currency" means the currency in which the Shares are denominated or, if at the relevant time or for the purposes of the relevant calculation or determination, such currency is no longer the currency in which the Shares are quoted or dealt in on the Relevant Stock Exchange for the Shares, the currency in which the Shares are quoted or dealt in on such Relevant Stock Exchange at such time;

"Relevant Date" means, in respect of any Exchangeable Note, the date on which any payment in respect of it 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 20 (*Notices*);

"Relevant Exchange Ratio" has the meaning given to it in Condition 7(d) (*Cash Amount*);

"Relevant Page" means "Bloomberg FX Fixings" (page BFIX) on Bloomberg or, if not available from Bloomberg, such other information service provider (as determined by the Calculation Agent) that at the relevant time displays the relevant information;

"Relevant Screen Page" means the relevant screen page specified as such in the applicable Final Terms;

"Relevant Stock Exchange" means (i) in respect of the Shares, the exchange specified as such in the Final Terms or its successor or any substitute exchange to which trading in the Shares has temporarily or permanently relocated, as determined by the Calculation Agent, and (ii) in respect of any Security (other than the Shares), or, as the case may be, option, warrant, or other right or asset, the principal stock exchange or securities market on which such Securities, or, as the case may be, options, warrants, or other rights or assets are then listed, admitted to trading or quoted or dealt in;

"Scheduled Closing Time" has the meaning given to it in Condition 9(c) (*Disrupted Days*);

"Scheduled Trading Day" means any day on which the Relevant Stock Exchange and the Related Exchange are both scheduled to be open for trading for their regular trading sessions;

"Securities" means any securities including, without limitation, shares in the capital of the Company, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Company;

"Settlement Cycle" has the meaning given to it in Condition 8(g) (*Adjustment of Exchange Price and the Shares*);

"Share Price" means in relation to a determination of a daily Share Price or Daily Cash Amount in respect of a Scheduled Trading Day, the Volume Weighted Average Price of a Share on the relevant Scheduled Trading Day;

"Share Reference Price" means the simple arithmetic average (rounded to four decimal places, with 0.00005 being rounded upwards) of the daily Volume Weighted Average Price of a Share on each consecutive Scheduled Trading Day equal to the number of consecutive Scheduled Trading Days (each an **"Initial Averaging Date"**), subject to Condition 9 (*Disrupted Days*), specified in the applicable Final Terms under the heading "Initial Averaging Period" commencing on and including the date specified in the applicable Final Terms under the heading "Initial Averaging Commencement Date", as determined by the Calculation Agent and notified by or on behalf of the Issuer to the Noteholders as soon as practicable following such determination (such notice shall be given in accordance with Condition 20 (*Notices*) and shall specify the Share Reference Price, the resulting Exchange Price and the initial Relevant Exchange Ratio based on that Exchange Price);

"Shareholders" means the holders of Shares;

"Shares" means the Shares (specified in the applicable Final Terms) in the capital of the Company (the **"Original Underlying Shares"**) subject to adjustment pursuant to Condition 8 (*Adjustment of Exchange Price and the Shares*);

"Specified Currency" means the currency specified as such in the applicable Final Terms;

"Specified Denomination" means the specified denomination specified in the applicable Final Terms;

"Trading Disruption" has the meaning given to it in Condition 9 (*Disrupted Days*);

"Treaty" means the treaty establishing the European Community, as amended from time to time;

"Valuation Time" has the meaning given to it in Condition 9 (*Disrupted Days*); and

"Volume Weighted Average Price" means, in respect of a Share, Security, option, warrant or other right or asset, on any Scheduled Trading Day, the volume-weighted average price of a Share, Security, option, warrant or other right or asset on the Relevant Stock Exchange as published by or derived (in the case of an Original Underlying Share from the order book volume weighted average price per Share on such Scheduled Trading Day, as published for that day on the Relevant Screen Page as specified in

the applicable Final Terms (or any successor page or ticker for the Shares on the Relevant Stock Exchange) on the Bloomberg information system (or any successor thereto) (using the volume weighted average price labelled "custom" (or any successor label) after (A) having selected "Condition Codes": "Auto" (and deselected all other Condition Codes) of the Menu "99) Edit Custom Condition Codes" and (B) having selected the relevant Scheduled Trading Day and the relevant opening and closing times of the Relevant Stock Exchange, as determined by the Calculation Agent, or (in the case of a Security (other than an Original Underlying Share in respect of which the Relevant Stock Exchange is the same as in respect of the Original Underlying Share), options, warrants or other rights or assets) from the equivalent Bloomberg page (as determined by the Calculation Agent) for such Securities, options, warrants or other rights or assets in respect of the Relevant Stock Exchange in respect thereof, if any or, in case there is no such Bloomberg page, such other source (if any) as shall be determined in good faith to be appropriate by the Calculation Agent on such Scheduled Trading Day, provided that if on any such Scheduled Trading Day (the "**Affected Scheduled Trading Day**") such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security, option, warrant or other right or asset, in respect of such Scheduled Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately succeeding Scheduled Trading Day on which the same can be so determined, and further provided that if the Volume Weighted Average Price cannot be so determined on each of the five Scheduled Trading Days immediately succeeding the Affected Scheduled Trading Day, the Calculation Agent shall determine the Volume Weighted Average Price in good faith.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

Any determination by the Calculation Agent appointed by the Issuer in any of the circumstances contemplated in these Conditions shall (save in the case of a manifest error) be final and binding on the Issuer and the Noteholders.

6. Interest

(A) Day Count Fraction

"**Day Count Fraction**" means, unless otherwise specified in the applicable Final Terms, in respect of the calculation of an amount of interest in accordance with this Condition 6 (*Interest*):

- (a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
 - (i) in the case of Exchangeable Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (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 assuming interest were payable in respect of the whole of that year; or
 - (ii) in the case of Exchangeable Notes 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 (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest were payable in respect of the whole of that 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 (as specified in the

applicable Final Terms) that would occur in one calendar year assuming interest were payable in respect of the whole of that year;

- (b) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D₂ will be 30.

In these Terms and Conditions:

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

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

(B) *Interest on Fixed Rate Exchangeable Notes*

Except as provided in the applicable Final Terms, each Fixed Rate Exchangeable Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, if a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable in respect of each Exchangeable Note on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount as specified irrespective of any calculation based on the applicable Rate of Interest and any applicable Day Count Fraction (if any). Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If "**Unadjusted**" is specified in the applicable Final Terms with respect to any Interest Payment Date, any Interest Payment Date falling on a day which is not a Business Day will not be adjusted in accordance with any Business Day Convention, and the relevant Fixed Interest Period (as defined below) will accordingly not be adjusted. In such event, payment of any amounts will be made in accordance with the provisions of Condition 12(c) (*Payments - Payment Day*).

If "**Adjusted**" is specified in the applicable Final Terms with respect to any Interest Payment Date, any Interest Payment Date falling on a day which is not a Business Day will be adjusted in accordance with

the Business Day Convention specified in the applicable Final Terms, and the relevant Fixed Interest Period will be adjusted accordingly. For these purposes, where "Business Day" has the meaning assigned to it in Condition 23 (*Business Days*) and if an Interest Payment Date falls on a day which is not a Business Day, if the Business Day Convention specified is:

- (a) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (b) 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
- (c) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

Except in the case of Exchangeable Notes where an applicable Fixed Coupon Amount or 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:

- (i) in the case of Fixed Rate Exchangeable Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Exchangeable Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Exchangeable 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 Exchangeable Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Exchangeable 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.

(C) *Accrual of interest*

Each Exchangeable Note will cease to bear interest (if any) from the date of 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 Exchangeable 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 Exchangeable Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 20 (*Notices*).

7. **Exchange of Exchangeable Notes**

(a) *Exchange Period and Exchange Price*

- (i) The Issuer grants to each Noteholder the right (the "**Exchange Right**") exercisable at any time during any Exchange Period, subject, if applicable, to any Exchange Condition having been satisfied, to require the Exchangeable Note(s) held by it to be redeemed in accordance with the provisions of Condition 7(b) (*Procedure for Exercise of Exchange Rights*).
- (ii) For the purposes of these Conditions, the following terms shall have the following meanings:

"**Exchange Condition**" means any condition specified as such in the applicable Final Terms under the heading "Exchange Condition".

"**Exchange Period**" means:

- (A) each of the period(s) specified in the applicable Final Terms; and
- (B) if the Issuer elects to redeem the Exchangeable Notes pursuant to Condition 11(b) (*Redemption at the Option of the Issuer*) or Condition 11(e) (*Redemption for Tax Reasons*) or Condition 11(h) (*Illegality*) or Condition 13 (*Currency Substitution Event*), the period from and including the date on which the Issuer gives notice of its intention to redeem the Exchangeable Notes in accordance with Condition 11(b) (*Redemption at the Option of the Issuer*) or Condition 11(e) (*Redemption for Tax Reasons*) or Condition 11(h) (*Illegality*) or Condition 13 (*Currency Substitution Event*) up to and including the 8th Scheduled Trading Day preceding the date fixed for redemption pursuant to Condition 11(b) (*Redemption at the Option of the Issuer*) or Condition 11(e) (*Redemption for Tax Reasons*) or Condition 11(h) (*Illegality*) or Condition 13 (*Currency Substitution Event*),

provided that if during any Exchange Period, Nationalisation or Delisting or Settlement of Options Contracts occurs as provided in Condition 10(a) (*Nationalisation or Delisting*) or 11(c) (*Settlement of Options Contracts*), respectively or, if specified as applicable in the relevant Final Terms, a Change in Law occurs and the Issuer has given notice to Noteholders of its intention to redeem the Exchangeable Notes as provided in Condition 11(g) (*Change in Law*), the Exchange Period shall expire on the Relevant Announcement Date).

- (iii) The Exchange Rights may not be exercised in respect of an Exchangeable Note which has been declared immediately due and repayable pursuant to Condition 15 (*Events of Default*).

(b) *Procedure for Exercise of Exchange Rights*

Exchange Rights may be exercised by a Noteholder during any Exchange Period and subject to any Exchange Condition specified in the applicable Final Terms having been satisfied, by delivering to the specified office of the Principal Paying Agent (with a copy to Euroclear and/or Clearstream, Luxembourg, as applicable), during its usual business hours, by a duly completed and signed notice of exchange (an "**Exchange Notice**") in the form (for the time being current) obtainable from the Principal Paying Agent together with any Individual Note Certificate (if any) which has been issued in respect of the Exchangeable Notes. The date on which such Exchange Notice and Individual Note Certificate are delivered as aforesaid are referred to as the "**Exchange Notice Delivery Date**".

If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the Principal Paying Agent, the Exchange Notice Delivery Date shall be deemed for all purposes of these Conditions to have been made on the next following such business day. For the purposes of this paragraph, "**business day**" means a day other than a Saturday, Sunday or public holiday on which banks are generally open for business.

Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Principal Paying Agent is located.

Any determination as to whether an Exchange Notice has been duly completed and properly delivered shall be made by the Principal Paying Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Paying Agents and the relevant Noteholder.

An Exchange Notice, once delivered, shall be irrevocable.

A Noteholder must pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of an Exchangeable Note or interest therein in connection with the exercise of Exchange Rights by it.

(c) *Redemption of the exchanged Exchangeable Note(s) by the Issuer*

Upon the valid exercise of the Exchange Right by a Noteholder, the Issuer will redeem the relevant Exchangeable Note(s) on the Exchange Redemption Date at the Cash Amount calculated in accordance with Condition 7(d) (*Cash Amount*).

(d) *Cash Amount*

- (i) Upon any valid exercise of Exchange Rights by a Noteholder with respect to one or more Exchangeable Notes, the Issuer shall redeem each Exchangeable Note, in respect of which the Exchange Right has been exercised, at its Cash Amount on the relevant Exchange Redemption Date (and, for the avoidance of doubt, regardless of whether the Exchange Redemption Date falls before, on, or after the Maturity Date), subject to the provisions of Condition 7(d)(ii). The Issuer will pay the Cash Amount in respect of each Exchangeable Note in respect of which the Exchange Right has been exercised on the relevant Exchange Redemption Date in accordance with Condition 12 (*Payments*).

In these Conditions:

"**Cash Amount**" means, in respect of all Averaging Dates relating to the relevant Exchange Date and each Specified Denomination in the Specified Currency of Exchangeable Notes in respect of which the relevant Noteholder shall have exercised Exchange Rights, the sum (rounded to two decimal places, with 0.005 being rounded upwards) of the Daily Cash Amounts, where "**Daily Cash Amount**" or "**DCA**" means an amount in the Specified Currency calculated by the Calculation Agent for each Averaging Date relating to such Exchange Date in respect of each such Specified Denomination of the Exchangeable Notes in the Specified Currency, in accordance with the following formula:

$$DCA = \frac{1}{N} \times RER_n \times P_n$$

Where:

N = the number of Averaging Dates specified in the applicable Final Terms under the heading "**Cash Amount Averaging Dates**";

P_n = the Share Price on such Averaging Date; and

RER_n = the Relevant Exchange Ratio prevailing on such Averaging Date

"**Averaging Date**" means, subject to an adjustment for Disrupted Days pursuant to Condition 9 (*Disrupted Days*), each consecutive Scheduled Trading Day equal to the number of consecutive Scheduled Trading Days specified in the applicable Final Terms under the heading "Cash Amount Averaging Period" commencing on the number of Scheduled Trading Days following the relevant Exchange Date specified in the applicable Final Terms under the heading "Specified Cash Amount Averaging Commencement Date".

"**Exchange Date**" shall be, unless otherwise specified in the applicable Final Terms, the Business Day immediately following the last day of the Exchange Period in which the Exchange Right was exercised.

"**Relevant Exchange Ratio**" means, in respect of the relevant date, the result (rounded to five decimal places with 0.000005 being rounded upwards) of the division of the Specified Denomination of Exchangeable Notes in respect of which the relevant Noteholder shall have exercised Exchange Rights by the Exchange Price in effect on such day.

"**Share Price**" is defined in Condition 5 (*Definitions*).

"**Volume Weighted Average Price**" is defined in Condition 5 (*Definitions*).

"**VWAP**" means the Volume Weighted Average Price.

- (ii) If following the valid exercise by a Noteholder of its Exchange Right and prior to the relevant Exchange Redemption Date an event occurs as a result of which the Exchangeable Notes,

subject to the Exchange Notice, would otherwise fall to be redeemed in accordance with Condition 10(a) (*Nationalisation or Delisting*), Condition 11(c) (*Settlement of Options Contracts*) or Condition 11(g) (*Change in Law*) had the Noteholder not exercised its Exchange Right, the Issuer shall redeem the Exchangeable Notes at the Automatic Early Redemption Amount (and not the Cash Amount) on the Automatic Early Redemption Date.

8. Adjustment of Exchange Price and the Shares

(a) The Calculation Agent will, unless otherwise so specified in the applicable Final Terms, adjust the Exchange Price and/or the Shares as follows:

(i) If options contracts in respect of the Shares are traded on Eurex and Eurex adjusts such options contracts following or as a result of any corporate actions, the Calculation Agent shall, to the extent required and with effect as of the same date, adjust, as relevant:

- (A) the Exchange Price of the Exchangeable Notes, in circumstances where the exercise prices of options contracts in respect of the Shares are adjusted by Eurex; and/or
- (B) the Shares, in circumstances where any securities or package of securities are being substituted for the Shares as the securities underlying options contracts in respect of the Shares,

to reflect the adjustments effected by Eurex (for the avoidance of doubt the Exchange Price, or, as the case may be, the Shares, shall be adjusted using, but not recalculating, such adjustment ratio or similar or other adjustment as was published by Eurex), provided that:

- (A) in relation to Dividends, the Calculation Agent shall make the adjustments as set out in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*) instead of any corresponding or other adjustments in respect of such Dividends under the applicable Eurex Corporate Actions Procedures, if any;
- (B) in relation to any Nationalisation or Delisting, the Exchangeable Notes will be redeemed in accordance with Condition 10 (*Nationalisation or Delisting*), or, in relation to any Illegality, the Exchangeable Notes will be redeemed in accordance with Condition 11(h) (*Illegality*) or, if specified as applicable in the relevant Final Terms, in relation to a Change in Law, the Exchangeable Notes will (if so elected by the Issuer) be redeemed in accordance with Condition 11(g) (*Change in Law*) or will otherwise be subject to adjustment in accordance with Condition 11(g) (*Change in Law*) instead of any corresponding or other adjustment in respect of such Nationalisation or Delisting or Illegality or Change in Law under the applicable Eurex Corporate Actions Procedures, if any; and
- (C) in relation to any event as a result of which options contracts in respect of the Shares are settled in the circumstances the subject of Condition 11(c) (*Settlement of Options Contracts*), the Exchangeable Notes will be redeemed subject to and in accordance with such Condition 11(c) (*Settlement of Options Contracts*) and no adjustment (if any) under the applicable Eurex Corporate Actions Procedures will be made.

Any adjustment made pursuant to this paragraph shall become effective on the same date as any corresponding adjustments made by Eurex (other than an adjustment pursuant to Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*), which shall become effective as provided in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*)).

If no options contracts in respect of the Shares are traded on Eurex but are traded on any other exchange or quotation system which serves as the principal place of trading for options contracts and futures contracts in respect of the Shares (such other exchange or quotation system as aforesaid, being, only in circumstances where no options contracts in respect of the Shares are traded on Eurex but options contracts are traded on such other exchange or quotation system as aforesaid, the "**Alternative Options Exchange**"), the Calculation Agent shall, to the extent required, adjust the Exchange Price and/or, as the case may be, the Shares to reflect the adjustments effected in respect of any options contracts relating to the Shares by the Alternative Options Exchange, provided that:

- (A) in relation to Dividends, the Calculation Agent shall make the adjustments as set out in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*) instead of any corresponding or other adjustments in respect of such Dividends under the standard corporate actions procedures of the Alternative Options Exchange in effect at the relevant time, if any;
- (B) in relation to any Nationalisation or Delisting, the Exchangeable Notes will be redeemed in accordance with Condition 10 (*Nationalisation or Delisting*), or, in relation to any Illegality, the Exchangeable Notes will be redeemed in accordance with Condition 11(h) (*Illegality*), or, if specified as applicable in the relevant Final Terms, in relation to a Change in Law, the Exchangeable Notes will (if so elected by the Issuer) be redeemed in accordance with Condition 11(g) (*Change in Law*) or will otherwise be subject to adjustment in accordance with Condition 11(g) (*Change in Law*) instead of any corresponding or other adjustment in respect of such Nationalisation or Delisting or Illegality or Change in Law under the standard corporate actions procedures of the Alternative Options Exchange in effect at the relevant time, if any; and
- (C) in relation to any event as a result of which options contracts in respect of the Shares are settled in the circumstances the subject of Condition 11(c) (*Settlement of Options Contracts*), the Exchangeable Notes will be redeemed subject to and in accordance with such Condition 11(c) (*Settlement of Options Contracts*) and no adjustment (if any) under the standard corporate actions procedures of the Alternative Options Exchange in effect at the relevant time will be made.

Any adjustment made pursuant to this paragraph shall become effective on the same date as any corresponding adjustments made by the Alternative Options Exchange (other than an adjustment pursuant to Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*) which shall become effective as provided in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*)).

If no options contracts in respect of the Shares are traded on Eurex or an Alternative Options Exchange, and any event which would have triggered an adjustment under the Eurex Corporate Actions Procedures last published occurs, the Calculation Agent will determine which adjustment, if any, should be made to the Exchange Price, and/or, as the case may be, the Shares, with reference to the rules and any precedents (if any) set by Eurex to account for the effect of such event that in the determination of the Calculation Agent, would have given rise to an adjustment by Eurex if such options contracts were so traded, provided that:

- (A) in relation to Dividends, the Calculation Agent shall make the adjustments as set out in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*) instead of any corresponding or other adjustments in respect of such Dividends under the applicable Eurex Corporate Actions Procedures, if any;
- (B) in relation to any Nationalisation or Delisting, the Exchangeable Notes will be redeemed in accordance with Condition 10 (*Nationalisation or Delisting*), or, in relation to any Illegality, the Exchangeable Notes will be redeemed in accordance with Condition 11(h) (*Illegality*), or, if specified as applicable in the relevant Final Terms, in relation to a Change in Law, the Exchangeable Notes will (if so elected by the Issuer) be redeemed in accordance with Condition 11(g) (*Change in Law*) or will otherwise be subject to adjustment in accordance with Condition 11(g) (*Change in Law*) instead of any corresponding or other adjustment in respect of such Nationalisation or Delisting or Illegality or Change in Law under the Eurex Corporate Actions Procedures, if any; and
- (C) in relation to any event as a result of which options contracts in respect of the Shares are settled in the circumstances the subject of Condition 11(c) (*Settlement of Options Contracts*), the Exchangeable Notes will be redeemed subject to and in accordance with such Condition 11(c) (*Settlement of Options Contracts*) and no adjustment (if any) under the applicable Eurex Corporate Actions Procedures will be made.

Any adjustment made pursuant to this paragraph shall become effective as determined by the Calculation Agent on the date such adjustment would have been effective under the Eurex Corporate Actions Procedures as aforesaid.

- (ii) If, prior to the Maturity Date (A) an Ex-Date in respect of any Dividend (a "**Relevant Dividend**") falls in a Relevant Period; or (B) no Ex-Date in respect of an Ordinary Cash Dividend falls in a Relevant Period, the Calculation Agent shall calculate the adjustment to the Exchange Price in accordance with the following formula (instead of any corresponding or other adjustment under the Eurex Corporate Actions Procedures or the procedures of an Alternative Options Exchange as the case may be):

$$X_n = X_o \times R$$

Where:

| | | |
|------------|---|--|
| X_n | = | the adjusted Exchange Price; |
| X_o | = | the Exchange Price on the Relevant Record Date; |
| R | = | $(S_{prev} - D) / (S_{prev} - T)$; |
| S_{prev} | = | the Closing Price of a Share on the Relevant Record Date; |
| D | = | (i) where an Ex-Date in respect of a Dividend falls in a Relevant Period, the Dividend Amount or (ii) where no Ex-Date in respect of an Ordinary Cash Dividend falls in a Relevant Period, zero; and |
| T | = | the applicable Dividend Threshold |

Notwithstanding the above:

- (x) if S_{prev} is less than or equal to T , or if S_{prev} is less than or equal to D , R shall instead be determined by the Calculation Agent.
- (iii) For the purposes of calculating the adjustment to the Exchange Price pursuant to the formula in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*):
- (A) if no Ex-Date in respect of an Ordinary Cash Dividend falls in a Relevant Period or (where the Relevant Dividend is an Ordinary Dividend) the Dividend Amount is less than the applicable Dividend Threshold, the Exchange Price will be adjusted upwards;
- (B) where the Relevant Dividend is an Ordinary Dividend (x) if the Dividend Amount exceeds the relevant Dividend Threshold, the Exchange Price will be adjusted downwards; and (y) if the Dividend Amount is equal to the relevant Dividend Threshold, no adjustment to the Exchange Price shall be required to be made;
- (C) where the Relevant Dividend is a Special Cash Dividend, the Exchange Price will be adjusted downwards.
- (iv) For the purposes of adjustment to the Exchange Price pursuant to Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*):
- (A) any adjustment to the Exchange Price shall take effect on the Relevant Adjustment Date (or, if later, on the first date on which the Fair Market Value of the Relevant Dividend as aforesaid can be determined); and
- (B) the Fair Market Value of any Relevant Dividend shall be determined by the Calculation Agent in good faith at the Relevant Adjustment Date.

(v) Definitions:

"**Dividend**" means any Ordinary Cash Dividend or Special Cash Dividend;

"**Dividend Amount**" means, in respect of any Dividend, the Fair Market Value per Share of such Dividend on the Relevant Record Date;

"**Dividend Threshold**" means (i) (other than in respect of a Special Cash Dividend) in respect of each Relevant Period, the Reference Amount on a per Share basis specified to be paid in the Relevant Period provided that, if more than one Ex-Date has occurred in a Relevant Period, the Dividend Threshold shall apply to the first such Ex-Date to occur and the Dividend Threshold in respect of any subsequent Ex-Date occurring in such Relevant Period shall be zero; and (ii) in respect of a Special Cash Dividend, the Dividend Threshold shall be zero;

"**Ex-Date**" means the first Scheduled Trading Day on which the Shares are traded ex- the Relevant Dividend on the Relevant Stock Exchange;

"**Ordinary Cash Dividend**" means (i) any Ordinary Dividend which is, or may at the election of a Shareholder be, paid or made in cash, such Ordinary Dividend being treated as an Ordinary Cash Dividend in the amount of such cash; or (ii) any issue or delivery of Shares (or other assets or property) by the Company to its Shareholders which is announced or expressed as a Dividend or which is in lieu of a Dividend in cash (whether or not a cash Dividend amount is announced) and which is an Ordinary Dividend, such issue or delivery being treated as an Ordinary Cash Dividend in an amount equal to the Volume Weighted Average Price of such Shares or, as the case may be, the Fair Market Value of such assets or property on the first date on which the Shares are traded ex-the relevant entitlement on the Relevant Stock Exchange (or if later the first date on which the number of Shares or, as the case may be, other assets or property which may be issued or delivered is, or is capable of being, determined);

"**Ordinary Dividend**" means any Dividend which does not (or would not) result in an adjustment to the options contracts in respect of the Shares pursuant to the Eurex Corporate Actions Procedures or the rules of the Alternative Option Exchange (if any);

"**Reference Amount**" has the meaning ascribed to it in the applicable Final Terms;

"**Relevant Adjustment Date**" means each Ex-Date in respect of a Relevant Dividend and, if no Ex-Date in respect of an Ordinary Cash Dividend falls in a Relevant Period, the first Scheduled Trading Day following the end of such Relevant Period. If no Ex-Date in respect of an Ordinary Cash Dividend falls in a Relevant Period, for the purposes of the Relevant Adjustment Date falling on the first Scheduled Trading Day of the following Relevant Period, the Dividend Threshold shall be deemed to be equal to the Dividend Threshold in respect of such Relevant Period in which no Ex-Date in respect of an Ordinary Cash Dividend occurred;

"**Relevant Period**" has the meaning ascribed to it in the applicable Final Terms;

"**Relevant Record Date**" means the Scheduled Trading Day which immediately precedes the Relevant Adjustment Date; and

"**Special Cash Dividend**" means any dividend in cash which is declared by the Company to be a special dividend, an extraordinary dividend and/or a return of capital (or is otherwise not declared to be an ordinary dividend).

- (b) Adjustments in accordance with Condition 8(a)(i) (*Adjustment of Exchange Price and the Shares*) will become effective as specified in Condition 8(a)(i) (*Adjustment of Exchange Price and the Shares*). Adjustments in accordance with Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*) shall become effective as specified in Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*). Adjustments in accordance with this Condition 8 (*Adjustment of Exchange Price and the Shares*) (including Condition 8(a)(ii) (*Adjustment of Exchange Price and the Shares*)) will not be made, if the effective date for such adjustments is later than, in the case of Exchangeable Notes in respect of which Exchange Rights have been exercised, the last Averaging Date (where the Cash Amount is to be paid in respect of such exercise).

- (c) All adjustments to the Exchange Price will be calculated by the Calculation Agent. Any adjustment to the Exchange Price determined will, if necessary, be rounded to four decimal places, with 0.00005 being rounded upwards, and any subsequent adjustments shall be made on the basis of such adjusted Exchange Price, so rounded.
- (d) The Issuer will give notice to Noteholders in accordance with Condition 20 (*Notices*) of any adjustment to the Exchange Price pursuant to this Condition 8 (*Adjustment of Exchange Price and the Shares*) as soon as reasonably practicable.
- (e) If any share price relevant for any calculation of a price or Cash Amount in accordance with this Condition 8 (*Adjustment of Exchange Price and the Shares*) (other than Condition 8(a)(ii)) is subsequently corrected by the Relevant Stock Exchange and the correction is published within less than one Settlement Cycle after the original publication, the Issuer shall notify the Noteholders of the corrected Share Price or Cash Amount and any necessary further adjustment of the terms of the Exchangeable Notes.
- (f) For the avoidance of doubt, no adjustment will be made to the Exchange Price where Shares or other securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including the personal service company of any such employee or directors holding or formerly holding executive office) or their spouses or relatives, in each case, of the Company or any associated company or its or their Affiliates or to a trustee or trustees to be held for the benefit of any such person, or any other member of the Company's group savings plan, in any such case pursuant to any share or option scheme (including for the avoidance of doubt any share capital increase of the Company reserved for employees and related schemes or any successor or similar scheme) or pursuant to any dividend reinvestment plan or similar plan or scheme.

- (g) As used in these Conditions:

"**Settlement Cycle**" means the period of dealing days following a trade in the Shares on the Relevant Stock Exchange in which settlement will customarily occur according to the rules of the Relevant Stock Exchange.

9. **Disrupted Days**

If any Averaging Date is a Disrupted Day:

- (a) if "**Omission**" is specified as applying 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 applying 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 applying in the applicable Final Terms then 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 subparagraph (ii) of the definition of "Valuation Date" below,

and, for the purposes of these 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.

The following definitions shall apply:

"Averaging Cut-Off Date" means the eighth 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, would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount 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;

"Disrupted Day" means any Scheduled Trading Day on which the Relevant Stock Exchange for the Shares or the Related Exchange fails to open for trading during its regular trading session (a **"Failure to Open"**) or on which a Market Disruption Event has occurred, as determined by the Calculation Agent;

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

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Relevant Stock Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on the Related Exchange;

"Market Disruption Event" means, in relation to a Share, each of (i) Trading Disruption, (ii) Exchange Disruption or (iii) Early Closure, but in respect of (i) and (ii) only if the Calculation Agent determines that such event is material at any time during the one hour period that ends at the Valuation Time for such Share;

"Related Exchange" means Eurex or any Alternative Options Exchange, as the case may be;

"Scheduled Closing Time" means, in respect of the Relevant Stock Exchange or the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Relevant Stock Exchange or, or as the case may be, Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"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;

"Trading Disruption" means any suspension of or limitation imposed on trading by the Relevant Stock Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or, as the case may be, Related Exchange or otherwise (i) relating to the Shares on the Relevant Stock Exchange, or, as the case may be, (ii) in futures or options contracts relating to the Shares on the Related Exchange;

"Valuation Cut-Off Date" means the eighth Scheduled Trading Day immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount 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. If such day is a Disrupted Day, then, 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 the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; and

"**Valuation Time**" means the Scheduled Closing Time in respect of the relevant Scheduled Trading Day.

10. **Nationalisation or Delisting**

(a) If a Nationalisation and/or Delisting occurs, the Issuer shall, by providing notice to Noteholders of the occurrence of such event in accordance with Condition 20 (*Notices*) within five Business Days of the Relevant Announcement Date specifying the Automatic Early Redemption Date which notice shall be irrevocable, redeem all but not only some of the outstanding Exchangeable Notes at their Automatic Early Redemption Amount on the Automatic Early Redemption Date. The Issuer shall give notice of the Automatic Early Redemption Amount to Noteholders in accordance with Condition 20 (*Notices*) as soon as reasonably practicable after the determination thereof and in any event not later than the date falling five Business Days prior to the Automatic Early Redemption Date.

(b) The following definitions shall apply:

"**Delisting**" means, in respect of any relevant Shares:

- (i) in the case where the Relevant Stock Exchange is not located in the United States, such Relevant Stock Exchange announces that pursuant to the rules of such Relevant Stock Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason (other than by reason of a merger, takeover or other special circumstances as contemplated by the Eurex Corporate Actions Procedures) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Relevant Stock Exchange (or, where the Relevant Stock Exchange is within the European Union, in a member state of the European Union); or
- (ii) in the case where the Relevant Stock Exchange is located in the United States, such Relevant Stock Exchange announces that pursuant to the rules of such Relevant Stock Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason (other than by reason of a merger, takeover or other special circumstances as contemplated by the Eurex Corporate Actions Procedures) 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 Relevant Stock Exchange in respect of such Shares.

"**Nationalisation**" means that, as determined by the Calculation Agent, all the Shares or all or substantially all the assets of the Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

11. **Redemption and Purchase**

(a) *Redemption at Maturity*

- (i) Unless previously redeemed or purchased and cancelled in accordance with these Conditions or in respect of which Exchange Rights have been exercised as herein provided, each Exchangeable Note will be redeemed by the Issuer at its Final Redemption Amount on the Maturity Date.
- (ii) In these Conditions, "**Final Redemption Amount**" means, unless otherwise specified in the applicable Final Terms, in respect of each Specified Denomination of Exchangeable Notes, the sum (rounded to two decimal places, with 0.005 being rounded upwards) of the Maturity Daily Cash Amounts, where "**Maturity Daily Cash Amount**" or "**MDCA**"

means an amount in the Specified Currency calculated by the Calculation Agent for each Maturity Averaging Date in respect of each Specified Denomination of the Exchangeable Notes, in accordance with the following formula:

$$MDCA = \frac{1}{N} \times \text{Max}(MRER_n \times MP_n; SD)$$

Where:

| | | |
|-------------------------|---|---|
| <i>SD</i> | = | Specified Denomination; |
| <i>N</i> | = | the number of Maturity Averaging Dates specified in the applicable Final Terms under the heading: "Maturity Averaging Dates"; |
| <i>Max</i> | = | the greater of the amounts separated by the semi-colon inside the brackets; |
| <i>MP_n</i> | = | the Share Price on such Maturity Averaging Date; and |
| <i>MRER_n</i> | = | the Relevant Exchange Ratio prevailing on such Maturity Averaging Date |

"Maturity Averaging Date" means, subject to adjustment for Disrupted Days pursuant to Condition 9 (*Disrupted Days*), each consecutive Scheduled Trading Day equal to the number of consecutive Scheduled Trading Days specified in the applicable Final Terms under the heading "Maturity Averaging Period" commencing on the number of Scheduled Trading Days before the Maturity Date specified in the applicable Final Terms under the heading "Specified Maturity Averaging Commencement Date".

(b) *Redemption at the Option of the Issuer*

If specified as applicable in the applicable Final Terms, the Issuer may, on giving not less than 45 nor more than 60 calendar days' notice (an "**Optional Redemption Notice**") (which notice shall be irrevocable) to the Noteholders in accordance with Condition 20 (*Notices*), redeem all but not some only of the Exchangeable Notes for the time being outstanding on the date specified in the Optional Redemption Notice at their Specified Denomination if, at any time, the aggregate nominal amount of the Exchangeable Notes outstanding is equal to or less than 15 per cent. of the aggregate nominal amount of the Exchangeable Notes originally issued (for which purpose, any further Exchangeable Notes issued pursuant to Condition 21 (*Further Issues*) and consolidated and forming a single series with the Exchangeable Notes shall also be deemed to have been 'originally issued').

(c) *Settlement of Options Contracts*

If options contracts in respect of the Shares are traded on the Related Exchange, and any event occurs as a result of which all such relevant options contracts are settled (including in accordance with the Eurex Corporate Actions Procedures or, in the case of an Alternative Options Exchange, the standard corporate actions procedures of the Alternative Options Exchange in effect at the relevant time, for example following the occurrence of a merger or takeover as provided in the Eurex Corporate Actions Procedures and other than as a result of a Nationalisation, a Delisting or a Change in Law) the Issuer shall give notice to Noteholders in accordance with Condition 20 (*Notices*) within ten Business Days of the Relevant Announcement Date (which notice shall be irrevocable) and shall thereafter redeem all but not some only of the outstanding Exchangeable Notes at their Automatic Early Redemption Amount on the Automatic Early Redemption Date. The Issuer shall give notice of the Automatic Early Redemption Amount to Noteholders in accordance with Condition 20 (*Notices*) as soon as reasonably practicable after the determination thereof and in any event not later than the date falling five Business Days prior to the Automatic Early Redemption Date.

(d) *Nationalisation, or Delisting*

Upon the occurrence of a Nationalisation or a Delisting, Condition 10(a) (*Nationalisation, or Delisting*) shall apply.

(e) *Redemption for Tax Reasons*

The Issuer may redeem the Exchangeable Notes, in whole, but not in part, at any time prior to maturity at their Early Redemption Amount if: (i) the Issuer or the Guarantor shall determine that the Issuer would be required to pay Additional Amounts, as provided in Condition 14 (*Taxation*), on the occasion of the next payment due with respect to the Exchangeable Notes; (ii) any payment or deemed payment as determined for United States tax purposes with respect to the Exchangeable Notes or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the Exchangeable 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 Exchangeable 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 be required to pay Additional Amounts as provided in Condition 14 (*Taxation*).

Notice of intention to redeem Exchangeable Notes pursuant to this Condition 11(e) (*Redemption for Tax Reasons*) will be given at least once in accordance with Condition 20 (*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 Exchangeable Notes shall have been made available for redemption on such redemption date, such Exchangeable Notes shall cease to bear interest, if applicable, and the only right of the holders of such Exchangeable Notes shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

(f) *Redemption for Tax Compliance Reasons*

MLBV may, at its option, redeem the Exchangeable 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 MLBV 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 MLBV'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 Exchangeable Notes (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with MLBV's requests for certifications or identifying information (such redemption, a "**Redemption for Tax Compliance Reasons**"). Upon a Redemption for Tax Compliance Reasons, Exchangeable Notes held by compliant Holders, in addition to those held by non-compliant Holders, may be redeemed.

Notice of intention to redeem Exchangeable Notes pursuant to this Condition 11(f) will be given in accordance with Condition 20 (*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 Exchangeable Notes shall have been made available for redemption on such redemption date, such Exchangeable Notes shall cease to bear interest, if applicable, and the only right of the holders of such Exchangeable Notes 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, and any intergovernmental agreement entered into in connection with the implementation of such provisions of the Code.

(g) *Change in Law*

If Change in Law is specified as applicable in the applicable Final Terms, then if a Change in Law 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 Conditions and/or the applicable Final Terms to account for the Change in Law and determine the effective date of that adjustment; or
- (ii) give notice to Holders in accordance with Condition 20 (*Notices*) and redeem all, but not less than all, of the Exchangeable Notes at the Automatic Early Redemption Amount on the Automatic Early Redemption Date.

Upon the occurrence of a Change in Law, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 20 (*Notices*) stating the occurrence of the Change in Law, 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 actions which may be taken in respect of such Change in Law under these Conditions.

(h) *Illegality*

If the Issuer determines in good faith that (i) the performance of the Issuer's obligations under the Exchangeable Notes or that any arrangements made to hedge the Issuer's obligations under the Exchangeable Notes or the performance by the Guarantor of any of its obligations under the Guarantee in respect of the Exchangeable Notes, has or will become, in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative, judicial or regulatory authority or powers, or any change in the interpretation thereof that is applicable to the Issuer and/or the Guarantor, the Issuer may, at its discretion, by giving, at any time, not less than 10 nor more than 30 calendar days' notice to Noteholders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable), elect that such Exchangeable Notes be redeemed, in whole but not in part, on the date specified by the Issuer, each Exchangeable Note being redeemed at the Early Redemption Amount.

(i) *Repurchases*

The Issuer, the Guarantor or any of their Affiliates may purchase at any time and from time to time outstanding Exchangeable Notes by tender, in the open market or by private agreement. Such Exchangeable Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to the Principal Paying Agent for cancellation.

(j) *Cancellation*

All Exchangeable Notes which are redeemed or in respect of which Exchange Rights are exercised will forthwith be cancelled. All Exchangeable Notes so cancelled and any Exchangeable Notes purchased and cancelled pursuant to Condition 11(i) (*Repurchases*) cannot be reissued or resold.

(k) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 11, the first of such notices to be given shall prevail.

12. **Payments**

(a) *Method of Payment*

Payments of principal, Cash Amounts, interest and any other amounts due on the Exchangeable Notes shall be paid to the person shown on the Register on the Record Date. Payments in respect of each Exchangeable Note shall be made in the relevant Specified Currency by cheque drawn on a bank in the principal financial centre of the country of such Specified Currency and mailed to the Noteholder (or the first named of joint holders) of such Exchangeable Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Principal Paying Agent before the Record Date, such payment may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (or, if the Specified Currency is euro, any other account to which euro may be credited or transferred). 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 14 (*Taxation*).

(b) *Payments in respect of Exchangeable Notes*

(i) *Payments in respect of Definitive Registered Notes*

Payments of principal, and interest in respect of Definitive Registered Notes will be made in the manner provided in paragraph (a) above to the person shown in the Register on the Record Date.

(ii) *Payments in respect of Global Notes*

All payments in respect of a Global Note will be made to the person shown in the Register on the Record Date.

(c) *Payment Day*

If the date for payment of any amount in respect of any Exchangeable Note is not a Payment Day, the Holder thereof shall not be entitled to payment of the amount due 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 (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in:

- (i) the principal financial centre of the country of the relevant Specified Currency (or in the case of an amount payable in euro, a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto is operating);
- (ii) each Additional Financial Centre specified in the applicable Final Terms, provided that if the Additional Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Payment Day shall also be a day on which the TARGET2 System is operating; and
- (iii) London.

(d) *Interpretation of Principal and Interest*

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

- (i) any Additional Amounts which may be payable with respect to principal under Condition 14 (*Taxation*);
- (ii) the Final Redemption Amount of the Exchangeable Notes;
- (iii) the Early Redemption Amount of the Exchangeable Notes;

- (iv) the Automatic Early Redemption Amount of the Exchangeable Notes;
- (v) the Cash Amount of the Exchangeable Notes;
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Exchangeable Notes.

Any reference in these Terms and Conditions to interest in respect of the Exchangeable Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 14 (*Taxation*).

(e) *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.

13. **Currency Substitution Event**

If 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) or (based on any publicly available information which the Issuer and the Calculation Agent reasonably consider relevant) there is a substantial likelihood that it will effect within the next 90 days, 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 the Cash Amount and any amounts to be paid under any Exchangeable Note by reference to the Share(s) and the currency by which the Share(s) 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 Exchangeable 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 Exchangeable 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 Exchangeable Notes, to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Exchangeable Notes as the Issuer determines appropriate to (i) (in the case of (a) or (b) above) preserve the economic terms of such Exchangeable 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 Exchangeable Notes on such day as shall be notified to the relevant Noteholders at either (i) their Early Redemption Amount, or (ii) if "Market Value less Associated Costs (no floor)" is specified in the applicable Final Terms as the Early Redemption Amount, an amount in respect of each Exchangeable Note of the Specified Denomination determined by the Calculation Agent which on the second Business Day immediately preceding the due date for the early redemption of such Exchangeable Note represents the fair market value of such Exchangeable Note (taking into account all factors which the Calculation Agent determines to be 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 Exchangeable Notes.

For the avoidance of doubt, the circumstances and consequences described in this Condition 13 (*Currency Substitution Event*) and any resulting or alternative adjustments to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Exchangeable Notes will not entitle any Holder of such Exchangeable Notes (A) to any legal remedy, including, without limitation, rescission, repudiation, or renegotiation of the Exchangeable 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 13 (*Currency Substitution Event*):

"Associated Costs" means an amount per Exchangeable Note of the Specified Denomination equal to such Exchangeable 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 Exchangeable Notes and any costs associated with unwinding any hedge positions relating to the Exchangeable Notes, all as determined by the Calculation Agent in its sole discretion.

"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 Exchangeable 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 Exchangeable Note and/or underlying market measure(s) in respect of the Issuer's obligations under the Exchangeable 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.

14. **Taxation**

The Issuer or the Guarantor will, subject to certain limitations and exceptions (set forth below), pay to a Noteholder who is a United States Alien or a Netherlands Non-resident (each as defined below) such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment of principal or interest or other amount with respect to the Exchangeable Notes 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 or by reason of the making of such payment, by the United States or the Netherlands (as applicable) or any political subdivision or taxing authority of or in the United States or the Netherlands (as applicable), as the case may be, will not be less than the amount provided for in the Exchangeable Notes or the Guarantee (as applicable) 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 which would not have been imposed but for (i) the existence of any present or former connection between such Noteholder (or between a fiduciary, settlor,

beneficiary, member or shareholder of, or possessor of a power over, such Noteholder if such Noteholder is an estate, trust, partnership or corporation) and the United States or the Netherlands (as applicable), as the case may be, including, without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident or treated as a resident of the United States or the Netherlands (as applicable), 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 applicable), as the case may be, or having or having had a permanent establishment in the United States or the Netherlands (as applicable), as the case may be, or (ii) the presentation of a Exchangeable Note 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 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 Exchangeable Notes;
- (e) any tax, assessment or other governmental charge imposed as a result of such Noteholder'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 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 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 applicable), as the case may be, of the Noteholder or of the beneficial owner of such Exchangeable Note, if such compliance is required by statute or by Regulation of the U.S. Department of the Treasury or of the relevant Netherlands authority (as applicable), as the case may be, as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (h) 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;
- (i) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of Sections 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, or any intergovernmental agreement entered into in connection with the implementation of such provisions of the Code;
- (j) 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
- (k) any combination of paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j) above,

nor shall additional amounts be paid to any United States Alien or Netherlands Non-resident (as applicable), as the case may be, which is a fiduciary or partnership or other than the sole beneficial owner of the Exchangeable Note to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Exchangeable Note would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Exchangeable Note.

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.

15. **Events of Default**

- (a) The occurrence of one or more of the following events with respect to any Series of Exchangeable Notes issued by MLBV shall constitute an "**Event of Default**" with respect to such Series:
- (i) default shall be made in the payment of any amount of interest due in respect of any such Exchangeable Notes and the default continues for a period of 30 calendar days after the due date; or
 - (ii) default shall be made in the payment of any principal, Cash Amount or other amount in respect of any such Exchangeable Notes (in each case whether at maturity or upon redemption or otherwise), and such default continues for a period of 30 calendar days after the due date; or
 - (iii) MLBV shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of such Exchangeable Notes or in the English Law Agency Agreement for the period of 90 calendar days after the date on which written notice of such failure, requiring MLBV to remedy the same, first shall have been given to the Principal Paying Agent and MLBV by Holders of at least 33 per cent. of the aggregate principal amount of any such Exchangeable Notes outstanding; or
 - (iv) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to MLBV 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 MLBV 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
 - (v) MLBV 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; or
 - (vi) any other events of default specified for a Series of Exchangeable Notes in the applicable Final Terms.

If an Event of Default shall occur and be continuing with respect to any Series of Exchangeable Notes issued by MLBV, then the Holders of at least 33 per cent. in aggregate principal amount of such Exchangeable Notes outstanding may, at their option, declare such Exchangeable Notes to be due and payable immediately at the Early Redemption Amount, by written notice to MLBV, the Guarantor and the Principal Paying Agent at its main office in London, and if any such default is not waived in accordance with Condition 15(c) or cured by MLBV or the Guarantor, as the case may be, prior to receipt of such written notice, such Exchangeable Notes shall become and be immediately due and payable at the Early Redemption Amount.

An Event of Default will not occur and there will not be any right to accelerate payment of principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of any Series of Exchangeable Notes as a result of a covenant breach by the Guarantor.

- (b) At any time after any Series of Exchangeable Notes has become due and payable following a declaration of acceleration made in accordance with this Condition 15 (*Events of Default*) and before a judgment or decree for payment of the money due with respect to such Exchangeable Notes has been obtained by any Noteholder of such Exchangeable Notes, such declaration and its consequences may be rescinded and annulled upon the written consent of Noteholders of a majority in aggregate principal amount of such Exchangeable Notes then outstanding, or by resolution adopted by a majority in aggregate principal amount of such Exchangeable Notes outstanding present or represented at a meeting of Noteholders of such Exchangeable Notes at which a quorum is present, as provided in the English Law Agency Agreement, if:
- (i) the Issuer has paid, or has deposited with the relevant clearing system, a sum sufficient to pay:
 - (A) all overdue amounts of interest on such Exchangeable Notes;
 - (B) the principal of such Exchangeable Notes which has become due otherwise than by such declaration of acceleration; and
 - (ii) all Events of Default with respect to such Exchangeable Notes, other than the non-payment of the principal of such Exchangeable Notes which has become due solely by such declaration of acceleration, have been cured or waived as provided in Condition 15(c) below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- (c) Any default by the Issuer or the Guarantor, other than the events described in Condition 15(a)(i), Condition 15(a)(ii), Condition 15(b)(i) or Condition 15(b)(ii) may be waived by the written consent of Noteholders of a majority in aggregate principal amount of such Exchangeable Notes then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such Exchangeable Notes then outstanding present or represented at a meeting of Noteholders of such Exchangeable Notes affected thereby at which a quorum is present, as provided in the English Law Agency Agreement. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the English Law Agency Agreement, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

16. **Prescription**

The Exchangeable Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 5 (*Definitions*)) therefor.

Claims in respect of any other amounts payable in respect of the Exchangeable Notes shall be prescribed and become void unless made within ten years following the Relevant Date.

17. **Replacement of Exchangeable Notes**

Should any Exchangeable Notes be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent 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 Exchangeable Notes must be surrendered before replacements will be issued.

18. **Paying Agents, Registrar and Calculation Agent**

(a) *Principal Paying Agent and Registrar*

The Issuer and the Guarantor are entitled to vary or terminate the appointment of the Principal Paying Agent or the Registrar and/or appoint additional or other Principal Paying Agents or Registrars and/or approve any change in the specified office through which any Principal Paying Agent or Registrar acts, provided that:

- (i) there will at all times be a Principal Paying Agent and a Registrar (which, in the case of the Registrar, shall be an entity with a specified office outside the United Kingdom);

- (ii) so long as the Exchangeable Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a 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;
- (iii) there will at all times be a Principal Paying Agent in a jurisdiction within Europe other than any jurisdiction in which the Issuer or the Guarantor is incorporated; and
- (iv) there shall at all times be a Calculation Agent.

Notice of any variation, termination, appointment or change in the Principal Paying Agent or the Registrar will be given to the Noteholders in accordance with Condition 20 (*Notices*) provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such variation, termination or changes.

In acting under the English Law Agency Agreement, the Principal Paying Agent 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. The English Law Agency Agreement contains provisions permitting any entity into which the Principal 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 Exchangeable 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. All calculations and determinations made in respect of the Exchangeable Notes by the Calculation Agent shall be in its sole and absolute discretion (unless, in respect of the particular calculation or determination to be made, the Terms and Conditions provide that it shall be made in a "commercially reasonable manner"), 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 Agents and the Noteholders. 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, negligence or bad faith) no liability to the Issuer, the Guarantor, the Agents or the Noteholders 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.

19. **Meetings of Noteholders, Modifications and Waivers**

The English Law Agency Agreement contains provisions for convening meetings of the Holders of Exchangeable Notes of a particular Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of such Exchangeable Notes or any of the provisions of the English Law Agency Agreement. Such a meeting may be convened by 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 Exchangeable Notes of the affected Series for the time being 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 Exchangeable Notes of the affected Series for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount of the Exchangeable Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Exchangeable Notes (including modifying the date of maturity of the Exchangeable Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Exchangeable Notes, altering the currency of payment of the Exchangeable Notes, modifying the provisions relating to, or cancelling, the Exercise Rights (other than a reduction to the Exercise Price), increasing the Exercise Price (other than an adjustment made in accordance with these Conditions) except, in each case, in accordance with these Conditions, the quorum shall be one or more persons present and holding or representing not less

than two-thirds in nominal amount of the Exchangeable Notes of the affected 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 Exchangeable Notes of the affected Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Exchangeable Notes of a particular Series shall be binding on all the Holders of Exchangeable Notes of such Series, whether or not they are present at the meeting.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders to:

- (a) any modification (except as mentioned above) of the Exchangeable Notes or the English Law Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Exchangeable Notes or the English Law 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.
- (c) Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 20 (*Notices*) as soon as practicable thereafter.

20. Notices

All notices regarding the Exchangeable 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 any Exchangeable Notes that are admitted to trading on the Euro MTF, 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; or
- (c) as otherwise specified in the applicable Final Terms.

Until such time as any Individual Note Certificates are issued, there may, so long as any Global Notes representing the Exchangeable 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 20(b)) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as applicable for communication by them to the Holders of the Exchangeable Notes and, in addition, for so long as any Exchangeable 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 Exchangeable 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 Definitive Registered Notes, the related Individual Note Certificate (if applicable), with the Principal Paying Agent. Whilst any of the Exchangeable Notes are represented by a Global Note, such notice may be given by any holder of an Exchangeable Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

21. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Exchangeable 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 Exchangeable Notes.

22. **Consolidation or Merger**

The Issuer or the Guarantor may not consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other entity, other than in the case of the Guarantor, a sale or conveyance of all or substantially all of its assets to one or more Subsidiaries (as defined below), unless (i) (a) in the case of the Issuer, either the Issuer shall be the continuing company, or the successor entity (if other than the Issuer) shall expressly assume the due and punctual payment of all amounts (including Additional Amounts as provided in Condition 14 (*Taxation*)) payable with respect to the Exchangeable Notes, 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 English Law Agency Agreement executed by, inter alios, such successor entity, 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 entity (if other than the Guarantor) shall be organised and existing under the laws of the United States or a state thereof or the District of Columbia and such successor entity shall expressly assume the due and punctual payment of all amounts, (including Additional Amounts as provided in Condition 14 (*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 15 (*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 entity, such successor entity 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 English Law Agency Agreement and the Guarantee, as applicable.

"**Subsidiary**" means any entity of which more than 50 per cent of the voting power of the outstanding ownership interests (excluding ownership interests entitled to voting power only by reason of the happening of a contingency) shall at the time be owned, directly or indirectly, by the Guarantor, or one or more Subsidiaries, or by the Guarantor and one or more Subsidiaries. For this purpose, "voting power" means power to vote in an ordinary election of directors (or, in the case of an entity that is not a corporation, ordinarily to appoint or approve the appointment of entities holding similar positions).

23. **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, provided that if the Additional Business 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 TARGET2 System is operating; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than 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 TARGET2 System is operating.

24. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Exchangeable 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.

25. **Governing Law and Jurisdiction**

(a) *Governing law*

The English Law Agency Agreement, the MLBV Exchangeable Notes Deed of Covenant and the Exchangeable Notes issued by MLBV and any non-contractual obligations arising out of or in connection with the English Law Agency Agreement, the MLBV Notes Deed of Covenant and such Exchangeable Notes (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 English Law Agency Agreement, the MLBV Notes Deed of Covenant and the Exchangeable Notes issued by MLBV or their respective formation) shall be governed by, and construed in accordance with, English law.

The Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York, United States, applicable to agreements made and to be performed wholly within such jurisdiction without regard to principles of conflicts of laws.

(b) *Submission to jurisdiction*

In relation to any legal action or proceedings ("**Proceedings**") arising out of or in connection with the Exchangeable Notes issued by MLBV, the courts of England have exclusive jurisdiction and MLBV and the Noteholders submit to the exclusive jurisdiction of the English courts. MLBV and the Noteholders 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 the U.S. federal court in the Borough of Manhattan in the City and State of New York, United States.

(c) *Appointment of Process Agent*

MLBV 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, MLBV 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.

FORM OF FINAL TERMS OF THE CASH SETTLED EXCHANGEABLE NOTES

[Date]

MERRILL LYNCH B.V.

Issue of [Aggregate Nominal Amount of Tranche] Cash Settled Exchangeable Notes

under the Bank of America Corporation, 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**

[Include the following warning for all Exchangeable Notes where capital is at risk:

**INVESTING IN THE EXCHANGEABLE NOTES PUTS YOUR CAPITAL AT RISK. YOU MAY
LOSE SOME [OR ALL] OF YOUR INVESTMENT.]**

The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Cash Settled Exchangeable Notes (the "**Exchangeable Notes**") in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Exchangeable Notes. Accordingly any person making or intending to make an offer of the Exchangeable Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Exchangeable Notes in any other circumstances.

[Other than to selected qualified investors in accordance with the Swiss Federal Act on Collective Investment Schemes: (a) the Exchangeable Notes will not be offered, sold or otherwise distributed in or from Switzerland; and (b) neither these Final Terms nor any other document relating to the Exchangeable Notes may be distributed in Switzerland in connection with any offering, sale or distribution in or from Switzerland.]¹

The Exchangeable Notes are unsecured and are not and will not be savings accounts, deposits or obligations of, or otherwise guaranteed by, any bank. The Exchangeable Notes do not evidence deposits of Bank of America, N.A. or any other bank and are not insured by the U.S. Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other insurer or governmental agency or instrumentality.

The Exchangeable Notes and the Guarantee 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 Exchangeable Notes may not be offered, sold, resold, traded, transferred, pledged, delivered or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, any U.S. person. For the purposes hereof, "**U.S. person**" has the meaning ascribed to it by Regulation S under the Securities Act.

The purchase of Exchangeable Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Exchangeable Notes. Before making an investment decision, prospective purchasers of Exchangeable Notes should ensure that they understand the nature of the Exchangeable Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including "Risk Factors" on pages 34 to 95 thereof) and these Final Terms.

[Insert any specific additional risk factors (relating only to the tranche of Exchangeable Notes documented by these Final Terms)]

¹ Consider including whenever Exchangeable Notes are not publicly offered in Switzerland.

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 Offering Circular dated 18 May 2018 (the "**Offering Circular**") [as supplemented by the supplement[s] to the Offering Circular listed in the Annex hereto]. This document constitutes the Final Terms of the Exchangeable Notes described herein and must be read in conjunction with the Offering Circular [as supplemented]. Full information on the Issuer, the Guarantor and the offer of the Exchangeable Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as supplemented]. The Offering Circular [and the supplement[s] to the Offering Circular] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the [specified office of the Principal Paying Agent for the time being in London and copies may be obtained from 2 King Edward Street, London EC1A 1HQ and in electronic form on the Luxembourg Stock Exchange's website (www.bourse.lu)].

References herein to numbered Conditions are to the "Terms and Conditions of the Exchangeable Notes" set forth in the Offering Circular and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

Prospective investors should note that the "Terms and Conditions of the Exchangeable Notes" set out in the Offering Circular are governed by, and construed in accordance with, English law, and the Guarantee is governed by, and construed in accordance with, the laws of the State of New York.

No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Exchangeable Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

By investing in the Exchangeable Notes each investor represents that:

- (a) *Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Exchangeable Notes and as to whether the investment in the Exchangeable Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer, the Guarantor or any Dealer as investment advice or as a recommendation to invest in the Exchangeable Notes, it being understood that information and explanations related to the "Terms and Conditions of the Exchangeable Notes" shall not be considered to be investment advice or a recommendation to invest in the Exchangeable Notes. No communication (written or oral) received from the Issuer, the Guarantor or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Exchangeable Notes.*
- (b) *Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms and conditions and the risks of the investment in the Exchangeable Notes. It is also capable of assuming, and assumes, the risks of the investment in the Exchangeable Notes.*
- (c) *Status of Parties. None of the Issuer, the Guarantor and any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Exchangeable Notes.*

[IMPORTANT - Prohibition of Sales to EEA Retail Investors

The Exchangeable Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Exchangeable Notes or otherwise making them available to retail investors in the EEA has been prepared and

therefore offering or selling the Exchangeable Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.^{2]}

[Notification under Section 309B(1) of the Securities and Futures Act of Singapore (the “SFA”): The Exchangeable Notes are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Include whichever of the following apply or specify as "Not Applicable" or delete any inapplicable provision.]

1. Issuer: Merrill Lynch B.V.
2. Guarantor: Bank of America Corporation
3. (a) Series Number: [●]
(b) Tranche Number: [●]
(If fungible with an existing Series, include details of that Series, including the date on which the Exchangeable Notes become fungible)
4. Specified Currency or Currencies: [●]
5. Aggregate Nominal Amount:
(a) [Series:]: [●]
(b) [Tranche:]: [●]
6. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
7. (a) Specified Denominations: [●]
(Exchangeable Notes (including Exchangeable Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by MLBV in the United Kingdom, or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 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))
(b) Calculation Amount: [●]
(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. NB: There must be a common factor in the case of two or more Specified Denominations.)

² Include where the Instruments will not be offered, sold or otherwise made available to any retail investor in the European Economic Area.

8. Trade Date: [●]
9. Strike Date: [●]
10. [(a)] Issue Date [and Interest Commencement Date]: [●]
 [(b)] Interest Commencement Date (if different from the Issue Date): [●]
11. Maturity Date: [●]
12. Interest Basis: [[●] per cent. Fixed Rate]
 [Non-Interest bearing]

13. (a) Status of the Exchangeable Notes: Senior
 (b) Status of the Guarantee: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Exchangeable Notes: [Applicable] [Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually] [semi-annually] [quarterly] in arrear]
- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date] [*specify other*]
(N.B. This will need to be amended in the case of long or short coupons)
 [Adjusted] [Unadjusted]
(If the Fixed Interest Period(s) are adjusted, specify the relevant Business Day Convention at paragraph 14(c) below. If Fixed Interest Period(s) are not adjusted, no Business Day Convention should be specified)
- (c) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*specify other*] [Not Applicable]³
- (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 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))

³ Insert "Not Applicable" for Business Day Convention and Additional Business Centre(s) if Interest Payment Dates are Unadjusted.

- (g) Day Count Fraction: [Actual/Actual (ICMA)]
[30E/360] [Eurobond Basis]
[Specify other]
(N.B. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Exchangeable Notes denominated in euros)
- (h) Determination Date(s): [] in each year [Not Applicable]
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration))
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (i) Other terms relating to the method of calculating interest for Fixed Rate Exchangeable Notes: [None] [Give details]

PROVISIONS RELATING TO REDEMPTION

15. Automatic Early Redemption:
- (a) Automatic Early Redemption Amount: [As specified in Condition 5]
[Specify other]
- (b) Automatic Early Redemption Date: [] Exchange Business Days
16. Final Redemption Amount: [As specified in Condition 11(a)]
[Specify other]
- (a) Maturity Averaging Dates: []
- (b) Maturity Averaging Period: [] consecutive Scheduled Trading Days
- (c) Specified Maturity Averaging Commencement Date: [] Scheduled Trading Days
17. Early Redemption Amount(s) of each Exchangeable Note payable on redemption for tax reasons or on an Event of Default or for Illegality or following a Currency Substitution Event (or otherwise in accordance with the terms and conditions of the Exchangeable Notes), and/or the method of calculating the same (if required or if different from that set out in Condition 5): [As specified in Condition 5]
[[] per Calculation Amount] [Market Value less Associated Costs (no floor)]
[Specify other]
18. Fair Market Value: [As specified in Condition 5]
[Specify other]
19. Redemption at the Option of the Issuer: [Applicable][Not Applicable]

PROVISIONS RELATING TO SHARES AND EXCHANGE PROVISIONS

20. Shares
- (a) Identity of Share(s): The [ordinary shares] [depository receipts] of the Company with ISIN [●]
- (b) Company: [●]
- (c) Relevant Stock Exchange: [●]
- (d) Relevant Screen Page [●]
21. Exchange Condition: [Applicable] [Not Applicable]
- (Insert particulars of any conditions which must be satisfied prior to the exercise of the Exchange Right)*
22. Exchange Period(s): As specified in Condition 7(a)(ii) and [●]
23. Cash Amount:
- (a) Averaging:
- (i) Cash Amount Averaging Dates: [●]
- (ii) Cash Amount Averaging Period: [●]
- (iii) Specified Cash Amount Averaging Commencement Date: [●]
- (iv) Omission: [Applicable] [Not Applicable]
- (v) Postponement: [Applicable] [Not Applicable]
- (vi) Modified Postponement: [Applicable] [Not Applicable]
- (b) Valuation Date(s): [●] [Not Applicable]
- (c) Exchange Date: [As specified in Condition 7(d)] [*Specify other*]
- (d) Exchange Premium: [●] per cent.
- (e) Share Reference Price:
- (i) Initial Averaging Period: [●] consecutive Scheduled Trading Days
- (ii) Initial Averaging Commencement Date: [●]
- (f) Exchange Redemption Date: [As specified in Condition 5] [*Specify other*]
24. Adjustment:
- (a) Adjustment of Exchange Price and Shares: [As specified in Condition 8] [*Specify other*]
- (b) Relevant Period: [●]
- (c) Reference Amount: [●]
25. Change in Law: [Applicable] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE EXCHANGEABLE NOTES

26. Form of Exchangeable Notes: [Global Note registered in the name of a nominee for [a common depository for [Euroclear and Clearstream, Luxembourg]]/[a common safekeeper for [Euroclear and Clearstream, Luxembourg]] and exchangeable for Definitive Registered Notes in the limited circumstances described in the Global Note]
[Definitive Registered Notes]
27. New Safekeeping Structure: [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]
(Note that this item relates to the place of payment)
30. Redenomination: [Applicable] [Not Applicable]
31. Other terms: [Not Applicable] [give details]

DISTRIBUTION

32. Method of distribution: [Syndicated] [Non-syndicated]
33. (a) If syndicated, names and addresses of Managers: [Not Applicable] [give names, and addresses]
(b) Date of Subscription Agreement: [●]
(c) Stabilising Manager(s) (if any): [Not Applicable] [give name(s)]
34. If non-syndicated, name and address of relevant Dealer: [Not Applicable] [give name and address]
35. Calculation Agent: [Merrill Lynch International] [specify other]
36. Total commission and concession: [[●] per cent. of the Aggregate Nominal Amount] [Not Applicable]
37. U.S. Selling Restrictions: The Exchangeable Notes may not 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 or directly or indirectly offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered to, or for the account or benefit of, any U.S. person. A "U.S. person" has the meaning ascribed to it by Regulation S under the U.S. Securities Act of 1933, as amended.
38. Additional U.S. Tax considerations [Not Applicable] [give details]

Code Section 871(m): [Not Applicable]

39. Additional selling restrictions: [Not Applicable] [*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for issue [and admission to trading on [specify relevant market (*for example, the Euro MTF of the Luxembourg Stock Exchange*) and, if relevant, admission to an official list (*for example, the Official List of the Luxembourg Stock Exchange*)]] of the Exchangeable Notes described herein pursuant to the Note, Warrant and Certificate Programme of Bank of America Corporation, Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.

RESPONSIBILITY

[[Subject as provided below,] the Issuer accepts responsibility for the information contained in these Final Terms.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application [has been]/[will be]/[is expected to be] made by the Issuer (or on its behalf) for the Exchangeable Notes to be [admitted to trading on the Euro MTF and listed on the Official List of the Luxembourg Stock Exchange] [*specify other listing or admission to trading*] [with effect from [●]].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original instruments are already admitted to trading)

2. RATINGS

Ratings: [The Exchangeable Notes have not been rated.]

(The above disclosure should be included if the Exchangeable Notes have not been rated)

[The Exchangeable Notes to be issued have been rated:

[Standard & Poor's Financial Services LLC: [●]]
 [Moody's Investors Service, Inc.: [●]]
 [[*Other*: [●]]

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

3. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) FISN: [●][Not Applicable]

(iv) CFI Code: [●][Not Applicable]

(v) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A., and the relevant identification number(s): [Not Applicable] [*give name(s) and number(s)*]

(vi) Delivery: Delivery [against] [free of] payment

(vii) Names and addresses of initial Paying Agents: Bank of America, N.A. (operating through its London Branch)
 2 King Edward Street
 London EC1A 1HQ
 United Kingdom

(viii) Registrar: [Bank of America Merrill Lynch International Limited, Dublin branch
 Bank of America Merrill Lynch
 Block D, Central Park
 Leopardstown
 D18 N924

Ireland]⁴

- (ix) Names and addresses of additional Paying Agent(s) (if any): [●]
- (x) Intended to be held in a manner which would allow Eurosystem eligibility. [Yes. Note that the designation "yes" simply means that the Exchangeable Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (i.e. held under the New Safekeeping Structure (the "NSS")), and does not necessarily mean that the Exchangeable 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 the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.]
- [No. However, if after the date of these Final Terms, the Eurosystem eligibility criteria are amended such that the Exchangeable Notes are capable of meeting such criteria, the Exchangeable Notes may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (i.e. held under the New Safekeeping Structure (the "NSS")). Note that this does not necessarily mean that the Exchangeable Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.]

⁴ Include in the case of all Registered Exchangeable Notes.

ANNEX

[This Annex shall be included after publication of any supplement to the Offering Circular.]

The Offering Circular dated 18 May 2018 has been supplemented by the following supplement(s):

| Supplement | Description | Date |
|--------------------|--|-------------|
| Supplement No. [●] | In respect of [<i>insert short description of content</i>] | [●] |