

2014 Credit Linked Investment Terms (Hong Kong)

DISTRIBUTION RESTRICTIONS

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A US Person means: a natural person resident in the USA; a US partnership or US corporation; branch of a foreign bank located in the USA; trust where trustee, executor or administrator is a US person; non-discretionary account held for the benefit of a US person; discretionary account held by a dealer organised, incorporated or resident in the USA;
2. The transaction is not made to a person in the USA, it is not made by the Bank in the USA and at the time the buy order is originated Bank reasonably believes the investor is outside the USA; and
3. The Credit Linked Investment is not intended to be and is not offered, sold or otherwise made available to any Retail Investor in the European Economic Area ("EEA") or in the United Kingdom ("UK"). 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 may be amended or replaced from time to time, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("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 Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document is required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Credit Linked Investment or otherwise making this available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Credit Linked Investment or otherwise making them available to any retail investor in the EEA or in the UK, either directly or indirectly and whether distributed or otherwise, may be unlawful under the PRIIPs Regulation.

THE CUSTOMER MUST NOT ENTER INTO OR ACQUIRE A CREDIT LINKED INVESTMENT, EITHER FOR ITSELF OR ON BEHALF OF ANYONE ELSE, IN CONTRAVENTION OF THESE DISTRIBUTION RESTRICTIONS.

The Customer wishes to place in the form of a deposit a credit linked investment on the specific terms set out in the confirmation (a "**Confirmation**") with the Bank (the "**CLI**"), and receive interest calculated in accordance with paragraph 10 in respect of, and for the term of, the CLI.

The Bank is prepared to accept the CLI referred to above, upon the terms set out in these credit linked terms (the "**Terms**") and the Confirmation. The Terms (which includes the Credit Linked Additional Terms set out in Schedule 2) are deemed incorporated into each Confirmation.

The "**Customer**" and the "**Bank**" shall have the meaning given to them in the Confirmation.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Unless otherwise defined herein, capitalized terms used in these Terms shall have the same meaning as defined in the Credit Linked Additional Terms (as set out in Schedule 2).

1.2 Construction

(a) In the CLI, unless the contrary intention appears, a reference to:

(i) an "**amendment**" includes a supplement, novation or re-enactment and "**amended**" is to be construed accordingly;

"**assets**" includes present and future properties, revenues and rights of every description;

an "**authorisation**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarization;

the word "**law**" includes any common law, principles of equity, legislation, regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;

a "**material adverse effect**" means a material adverse effect on the ability of the Bank to perform its obligations under the CLI;

a "**person**" includes any individual, company, unincorporated association or body of persons (including a partnership, joint venture or consortium), government, state, agency, international organization or other entity; and

"**Stamp Tax**" means any stamp, registration, documentation or similar tax;

(ii) a provision of law is a reference to that provision as amended or re-enacted and includes any other law made pursuant thereto;

(iii) a paragraph or a Schedule is a reference to a paragraph, clause or a schedule to these Terms;

(iv) a person includes its successors, transferees and assigns;

(v) document is a reference to that document as amended; and

(vi) save where otherwise specified herein, a time of day is a reference to the time in the city of the branch or office of the Bank through which the Bank enters into the relevant CLI.

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- (b) save where otherwise specified herein, if the Bank exercises discretion in making any determination in relation to the CLI, it shall exercise such discretion in good faith and in a commercially reasonable manner; provided, however, that this paragraph 1.2(b) shall not apply to any discretion the Bank may exercise in connection with the decision to deliver a Credit Event Notice, Physical Settlement Notice or Physical Settlement Amendment Notice or the timing of delivery of such notices or the selection of Deliverable Obligations.
- (c) The index to and the headings in these Terms are for convenience only and are to be ignored in construing these Terms.
- (d) In the case of a CLI for which more than one Reference Entity is specified in the Confirmation, all references to "the Reference Entity" shall be construed to refer to the Reference Entity in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.
- (e) For the avoidance of doubt, no CLI will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise), solely because:
 - (i) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
 - (ii) Obligations, Deliverable Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.
- (f) If two or more of the adjustment or delay provisions in paragraphs 7.2(d) to (g) and paragraph 7.2(l) and paragraph 7.2(m) (each inclusive) below may apply to the same extent or circumstance, the Bank may elect which of such provisions to apply, provided that the application by the Bank of any one of such provisions shall not prevent the subsequent application of any other of such provisions by the Bank in respect of (x) the same event or circumstance or (y) any different event or circumstance that arise from time to time.

2. TRANSACTION

If the Customer fails to place in the form of a deposit the CLI by the Effective Date of such CLI following agreement on the terms (regardless of whether the Customer has received any written Confirmation), such failure shall constitute an Event of Default under paragraph 14 (*Events of Default*), and the Customer will be liable for the Bank's costs and losses, including the cost of unwinding any Hedging Arrangements.

3. CONFIRMATION

- 3.1 The CLI will be evidenced by a Confirmation which will incorporate these Terms. In the event of any inconsistency between the provisions of the Confirmation and these Terms, the Confirmation will prevail. The Confirmation terms are conclusive and binding in the absence of manifest error.
- 3.2 The Confirmation may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy.

4. PLACEMENT OF INVESTMENT AND PAYMENT

- 4.1 The Customer shall place in the form of a deposit the CLI with the Bank on the Effective Date in an amount equal to the Principal Amount as set forth in the Confirmation.
- 4.2 All sums owing by the Bank to the Customer under the CLI will only be payable at the branch or office where the CLI is placed or, if the Bank transfers its rights and/or obligations to such CLI to another branch or office of the Bank, such other branch or office.

5. RISK DISCLOSURE

The Customer acknowledges that it has been given the opportunity to ask questions of, and receive the explanations from, the Bank concerning the terms and conditions of the CLI. It further acknowledges that the Bank has made the appropriate disclosure in respect of the relevant risks associated with the CLI and it has received, read carefully and understand the contents of acknowledgement and risk disclosure statement as set out in Schedule 1.

6. EARLY WITHDRAWAL BY CUSTOMER

- 6.1 Except as permitted in paragraph 8 (*Early Redemption*), the CLI may only be withdrawn prior to the agreed Maturity Date or the Deferred Maturity Date (if applicable) with the consent of the Bank and upon terms agreed between the Bank and the Customer.
- 6.2 The Customer acknowledges that the Bank and/or its Affiliates may enter into one or more Hedging Arrangements in respect of the CLI. If the Bank allows the Customer to terminate the CLI prior to its Maturity Date or the Deferred Maturity Date (if applicable) pursuant to this paragraph 6, the Bank shall cause to be paid to the Customer an amount (the "**Early Withdrawal Amount**") determined to be the fair market value of the CLI as at the early withdrawal date taking into consideration all information which the Bank deems relevant less any costs, losses and damages which are incurred by the Bank and/or its Affiliates, using reasonable efforts, in discharging any such related Hedging Arrangements, all as determined by the Bank in its sole and absolute discretion. In the event that the fair market value of the CLI is insufficient to indemnify or reimburse the Bank in respect of such costs, losses and damages, the

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Bank shall be entitled to claim from the Customer the amount of the remaining costs, losses and damages and to exercise its rights of set-off under the CLI or otherwise in respect of any other sums due from the Bank to the Customer in respect of such CLI or otherwise.

6.3 If by reason of bankruptcy, winding-up, liquidation, insolvency or any other reason whatsoever, the repayment of the CLI prior to its Maturity Date or the Deferred Maturity Date (if applicable) becomes legally enforceable, and such repayment is demanded, the amount repayable shall be reduced by an amount equal to all costs, losses and damages suffered by the Bank as a result of such early repayment as determined by the Bank in good faith.

6.4 Any payments of Early Withdrawal Amount (if any) to the Customer by the Bank upon the termination of the CLI prior to its Maturity Date or the Deferred Maturity Date (if applicable) will be determined solely by the Bank, and payment by the Bank will be dependent upon the Bank's ability to successfully discharge any related Hedging Arrangement.

7. REDEMPTION

7.1 Redemption

Subject to paragraphs 6, 7.2 and 8, the CLI will be repaid by the Bank at its Redemption Amount specified in, or determined in the manner specified in, the Confirmation on the Maturity Date.

7.2 Bank's rights upon Credit Event

(a) If the Bank determines at its sole and absolute discretion that a Credit Event Determination Date has occurred in respect of a Reference Entity or, if "First-to-Default" is specified as applicable in the Confirmation, any Reference Entity in the Reference Portfolio, has occurred during the period from, and including, the Trade Date to, and including, the Deferred Maturity Date, the Bank shall redeem the CLI in the manner described in the remainder of this paragraph 7.2.

(b) Cash Settlement:

(i) If the CLI is not an Auction Settled CLI:

Subject to paragraph 7.2b(iii) below, where applicable, if the CLI is a Cash Settled CLI and if a Credit Event Determination Date has occurred, the Bank shall give notice (such notice a "**Settlement Notice**") to the Customer as soon as practicable and, subject to paragraph (j) (*Credit Event Notice after M(M)R Restructuring*) below, repay the CLI on the Credit Event Redemption Date at the Credit Event Redemption Amount (which Credit Event Redemption Amount will, if "Adjustment for Hedging Costs" is specified in the Confirmation, be subject to adjustment to account for any Hedging Costs). If the Bank delivers a Credit Event Notice in connection

with the Credit Event Determination Date, such Credit Event Notice may, at the Bank's election, constitute a Settlement Notice for the purposes hereof.

Notwithstanding that the CLI is not an Auction Settled CLI and notwithstanding anything else to the contrary contained herein, if the Bank determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Reference Obligation and (b) the Auction Final Price Determination Date falls on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Bank may elect, in its sole and absolute discretion, that the Auction Final Price as so determined pursuant to such Auction shall be deemed to be the Final Price hereunder in respect of such Reference Entity, in which case, the definitions of Valuation Method, Valuation Date, Quotation, Quotation Method and Quotation Amount shall not apply in respect of such Reference Entity and/or Reference Obligation, and the terms of the relevant CLI shall be deemed amended (without further action by any party) to be consistent with the provisions of such Auction and its implementation in market standard credit default swap transactions referencing the relevant Reference Entity and/or Reference Obligation; provided, however that, if the Bank has so elected but no appropriate Auction Final Price is determined within such timeframe, the Bank may reverse such election and make such amendments to the terms of the CLI as it determines appropriate to reflect such reversal.

(ii) If the CLI is an Auction Settled CLI:

Subject to paragraph 7.2b(iii) below, where applicable, if the CLI is an Auction Settled CLI and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Bank shall give notice (such notice a "**Settlement Notice**") to the Customer as soon as practicable and, subject to the other provisions of these Terms, in particular paragraph (j) (*Credit Event Notice after M(M)R Restructuring*) below, repay the CLI on the second Business Day following the Auction Settlement Date at the Auction Cash Settlement Amount (which Auction Cash Settlement Amount will, if "Adjustment for Hedging Costs" is specified as applicable in the Confirmation, be subject to adjustment to account for any Hedging Costs). Notwithstanding the above, if a Fallback Settlement Method Event occurs:

(A) if "Cash Settlement" is specified as the applicable Fallback Settlement Method in

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the Confirmation, then, notwithstanding that the CLI is an Auction Settled CLI, these Terms shall apply in respect of such Credit Event as if the CLI were a Cash Settled CLI and the Bank shall redeem the CLI in accordance with paragraph (i) above; and

- (B) If "Physical Settlement" is specified as the applicable Fallback Settlement Method in the Confirmation, then, notwithstanding that the CLI is an Auction Settled CLI, these Terms shall apply in respect of such Credit Event as if the CLI were a Physically Settled CLI and the Bank shall redeem the CLI in accordance with paragraph (c) (*Physical Settlement*) below.

If no Fallback Settlement Method is specified in the Confirmation, "Physical Settlement" shall be deemed to be specified in the Confirmation as the applicable Fallback Settlement Method.

If a Credit Event Determination Date has occurred and the relevant CLI becomes repayable in accordance with this paragraph 7.2(b), upon payment of the Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) in respect of the CLI, the Bank shall have discharged its obligations in respect of the CLI and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount or Auction Cash Settlement Amount may be less than the Principal Amount in respect of the CLI and such shortfall shall be borne by the Customer.

- (iii) Where the CLI is a Linear Basket CLI

If a Credit Event Determination Date has occurred in respect of any specified Reference Entity: (x) the Bank shall give a Settlement Notice to the Customer as described in paragraph 7.2(b)(i) or (ii) above, as applicable, and (y) in respect of the CLI:

- (A) the Bank shall pay an amount equal to the relevant Credit Event Amount, if any, on the relevant Credit Event Payment Date (and such Credit Event Amount will, if "Adjustment for Hedging Costs" is specified in the relevant Confirmation, be subject to adjustment to account for any Hedging Costs). As of each Credit Event Determination Date, the outstanding principal amount of the CLI will be reduced to the Adjusted Credit Outstanding Principal Amount. In the case of any early redemption of the CLI where the Bank will

pay to the Customer an amount determined to be the fair market value of the CLI, the fair market value of the CLI must take into account, without limitation, the relevant reduction in the outstanding principal amount of the CLI;

- (B) the interest calculation basis described in paragraph 7.2(b)(iv) below will apply;
- (C) subject as provided in paragraph 7.2(b)(iii)(D) below, the CLI shall be redeemed by payment (x) on the Maturity Date (or such later date as specified in paragraphs 7.2(d), (e), (f) or (g), being the Repudiation/Moratorium Deferred Maturity Date, Grace Period Deferred Maturity Date, DC Determination Postponed Payment Date or Deferred Maturity Date, as applicable) of the Adjusted Credit Outstanding Principal Amount, if any, in respect of such payment date and, (y) if applicable, on the last occurring Credit Event Payment Date at the relevant Credit Event Amount, provided that in no event shall any such amount be less than zero; and
- (D) if at any time, a Credit Event Determination Date has occurred in respect of all the specified Reference Entities, the CLI will be redeemed (together with accrued interest, if any) at the final Credit Event Amount on the final Credit Event Payment Date and the Bank will have no further obligations in respect of the CLI.

For the avoidance of doubt, parts (A) and (B) of this paragraph 7.2(b)(iii) will apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred and part (C) of this paragraph 7.2(b)(iii) will continue to apply to each Reference Entity in respect of which a Credit Event Determination Date has not occurred.

Any delay in the delivery of a Settlement Notice or failure by the Bank to deliver a Settlement Notice shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

- (iv) Interest calculation for Linear Basket CLI

Where the CLI is a Linear Basket CLI, each Linear Basket CLI will bear interest pursuant to, and in accordance with paragraph 10 (*Interest*), provided that for the purposes of determining the interest amounts payable on or after any Credit Event Determination Date, the provisions set out in

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paragraph 10.6(b)(i) and (ii) below will not apply and instead for the purposes of calculating interest pursuant to paragraph 10.1, the CLI will be deemed to bear interest in respect of the whole of the relevant Calculation Period on its pro rata share of the Adjusted Credit Outstanding Principal Amount, as of the relevant Interest Payment Date on which payment is made instead of its original outstanding principal amount. Each interest amount will be payable on the relevant Interest Payment Date or the relevant date for payment pursuant to the Terms.

For these purposes, and subject as provided below, **"Adjusted Credit Outstanding Principal Amount"** means, on any Interest Payment Date or date for payment pursuant to the Terms or any other relevant date (A) the Principal Amount and (B) a fraction with (x) the aggregate Reference Entity Notional Amounts of Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to the relevant Interest Payment Date or other relevant date, as numerator and (y) the aggregate Reference Entity Notional Amounts of the original number of Reference Entities to which the CLI related, in each case as of the Effective Date, as denominator.

Where an Interest Payment Date or the Maturity Date is delayed pursuant to paragraphs 7.2(d), (e), (f) or (g), in addition to taking into account any Credit Event Determination Date that occurred on or prior to such original due date, the relevant Adjusted Credit Outstanding Principal Amount may only be calculated taking into account a Credit Event Determination Date for a Reference Entity in respect of which such delay was made and not any other Reference Entity for which a Credit Event Determination Date has subsequently occurred after such original due date. Where the Maturity Date is delayed, the relevant amount of interest (if any) will be payable on the date provided in paragraphs 7.2(d), (e), (f) or (g) being the Repudiation/Moratorium Deferred Maturity Date, Grace Period Deferred Maturity Date, DC Determination Postponed Payment Date or Deferred Maturity Date, as applicable, regardless of whether a Credit Event Determination Date occurs but in any event no further or other amount shall be payable in respect of such delay. Where an Interest Payment Date is delayed, the relevant amount of interest (if any) will be payable on (i) where the Interest Payment Date was scheduled to fall on or about the Maturity Date, the Repudiation/Moratorium Deferred Maturity Date, Grace Period Deferred Maturity Date, DC Determination Postponed Payment Date or Deferred Maturity Date, as applicable, or (ii) otherwise, (a) if a Credit Event Determination Date has not occurred,

the third Business Day following the day on which the Bank determines that a Credit Event Determination Date has not occurred, or (b) if a Credit Event Determination Date has occurred, the third Business Day following the day on which the Bank determines that a Credit Event Determination Date has occurred in respect of the sole Reference Entity but, in either case, no additional amount of interest will be payable in respect of such delay.

In the case of Linear Basket CLI, if any Interest Rate or Margin in the relevant CLI is specified as a **"Weighted Average Rate"**, then such Interest Rate (where the rate of interest is "Fixed Rate") or Margin (where the rate of interest is "Floating Rate") in respect of the calculation of interest for a relevant Interest Payment Date shall be the sum of, in respect of each Relevant Reference Entity, the product of (A) the Relevant Reference Entity's Reference Entity Notional Amount divided by the sum of the Reference Entity Notional Amounts in respect of each Reference Entity (i.e. all original Reference Entities regardless of whether a Credit Event Determination Date has occurred) and (B) the Relevant Rate specified for such Relevant Reference Entity in the applicable Confirmation. For these purposes **"Relevant Reference Entity"** means a Reference Entity in respect of which no Credit Event Determination Date has occurred (or pursuant to paragraphs 7.2(d), (e), (f) or (g) is not subsequently determined to have occurred) as of the relevant Interest Payment Date.

(c) Physical Settlement:

If the CLI is a Physically Settled CLI, a Credit Event Determination Date has occurred and the Bank delivers a Physical Settlement Notice that is effective on or prior to the PSN Cut-off Date, the Bank shall, subject to the other provisions of these Terms, in particular paragraph (j) (*Credit Event Notice after M(M)R Restructuring*) below and subject to the Bank not having elected to settle the CLI by way of payment of an amount equal to the Auction Final Price pursuant to the final subparagraph of paragraph 7.2(h) (*Procedures for Physical Delivery*) below, repay the CLI by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with paragraph (h) (*Procedures for Physical Delivery*) below.

If "Adjustment for Hedging Costs" is specified as applicable in the relevant Confirmation, and:

- (i) if the Hedging Costs represent losses and costs incurred by the Bank, then if the Bank so elects (as specified in the Physical Settlement Notice or the Physical Settlement Amendment Notice), the Bank will deduct from the Asset Amount such Outstanding

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Principal Balance or Due and Payable Amount, as the case may be, of Delivery Obligations with a Liquidated Value of not less than the amount of such Hedging Costs and the Delivery by the Bank of such reduced Asset Amount (and the payment of any excess of such Liquidated Value (if any) over the amount of such Hedging Costs) shall be deemed to satisfy and discharge in full the obligation of the Bank in respect of the relevant Asset Amount; or

- (ii) if the Hedging Costs represent a gain to the Bank, the Customer will receive a payment from the Bank in respect of such Hedging Costs with the delivery of any Asset Amount by the Bank.

In the Physical Settlement Notice, the Bank shall specify (i) each Deliverable Obligation comprising the Asset Amount that it reasonably expects to Deliver and (ii) the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case the relevant **"Outstanding Amount"**) and if different, the face amount of each such Deliverable Obligation and (iii) if "Adjustment for Hedging Costs" is specified in the Confirmation, whether any Hedging Costs representing losses and costs incurred by the Bank will be accounted for in the manner described in paragraph (i) above. The aggregate Outstanding Amount of all Deliverable Obligations specified in the Physical Settlement Notice that the Bank intends to Deliver shall be the relevant **"Aggregate Outstanding Amount"**. For the avoidance of doubt, the Bank shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "Mod R" is specified as applicable in the applicable Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Bank determines relevant in the context of the CLI, which dates may include any relevant dates for purposes of any Hedging Arrangements.

If "Mod Mod R" is specified as applicable in the applicable Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each

such date as the Bank determines relevant in the context of the CLI, which dates may include any relevant dates for purposes of any Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

The Bank may, from time to time, notify the Customer (each such notification, a **"Physical Settlement Amendment Notice"**) that the Bank is replacing, in whole or in part, one or more Deliverable Obligations specified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective) or the relevant details thereof. A Physical Settlement Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that the Bank will Deliver to or to the order of the Customer (each, a **"Replacement Deliverable Obligation"**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **"Replaced Deliverable Obligation Outstanding Amount"**). The equivalent Outstanding Amount of each Replacement Deliverable Obligation identified in a Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Physical Settlement Notice or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice).

Notwithstanding the foregoing, (i) the Bank may correct any errors or inconsistencies in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Customer prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Bank shall on the PSN Effective Date, or as soon as reasonably practicable thereafter

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(but in any case, prior to the Delivery Date) notify the Customer of the detailed description of the Asset Package, if any, that the Bank will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice shall not constitute a Physical Settlement Amendment Notice.

If a Credit Event Determination Date has occurred and the relevant CLI becomes repayable in accordance with this paragraph 7.2(c), upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amount or the Auction Cash Settlement Amount, as the case may be, the Bank shall have discharged its obligations in respect of the relevant CLI and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount or the Auction Cash Settlement Amount may be less than the Principal Amount in respect of the relevant CLI and any shortfall shall be borne by the Customer.

(d) **Repudiation/Moratorium Extension:**

Where a Credit Event Determination Date has not occurred on or prior to the Maturity Date or Interest Payment Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Maturity Date or any Interest Payment Date or, if paragraph (g) (*Deferral of Certain Dates*) below applies, the Deferred Maturity Date or the Deferred Interest Payment Date (each as defined in paragraph (g) below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may, in the sole opinion of the Bank, fall after, as applicable, the Maturity Date, the Deferred Maturity Date or such Deferred Interest Payment Date, then the Bank may (at its option) notify the Customer that a Potential Repudiation/Moratorium has occurred and that the repayment of the CLI and/or the relevant interest payment will be delayed and:

- (i) in relation to such event as of the Maturity Date or Deferred Maturity Date, where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (a) the CLI will be repaid by the Bank by payment of the Relevant Final Amount less any Hedging Costs (if applicable) on the third Business Day following the Repudiation/Moratorium Evaluation Date (the “**Repudiation/Moratorium Deferral Maturity Date**”); and
 - (b) in the case of interest bearing CLI other than Linear Basket CLI, the Bank shall be obliged to pay interest, calculated as

provided herein in respect of the final Interest Payment Date, but shall only be obliged to make such payment of interest less any Hedging Costs (if applicable) on the Repudiation/Moratorium Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of paragraph (b) (*Cash Settlement*) or (c) (*Physical Settlement*) above, as applicable, and paragraph 10.6 (*Accrual of Interest*) shall apply to the CLI; or
- (iii) in relation to such event as of an Interest Payment Date or Deferred Interest Payment Date, the Bank may delay the relevant amount of interest which would otherwise be payable on such Interest Payment Date or Deferred Interest Payment Date. In this case where (a) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date then the relevant amount of interest less any Hedging Costs (if applicable) shall be payable on the third Business Day following the Repudiation/Moratorium Evaluation Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Calculation Period or basis of calculation of the relevant amount of interest, other than as described above; (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined and payable in accordance with paragraph 7.2(b)(iv) in the case of Linear Basket CLI or otherwise paragraph 10.6 (*Accrual of Interest*) and may be zero, or (c) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred thereafter, the relevant amount of interest less any Hedging Costs (if applicable) will be payable on the third Business Day following the Bank's determination that a Credit Event Determination Date will not occur.

(e) **Grace Period Extension**

If “Grace Period Extension” is specified as applicable in the Confirmation, the provisions of this paragraph shall apply.

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If a Credit Event Determination Date has not occurred on or prior to the Maturity Date or any Interest Payment Date but, in the determination of the Bank, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Maturity Date or relevant Interest Payment Date (and such Grace Period(s) is/are continuing as at that date), then the Bank may (at its option) notify the Customer that a Potential Failure to Pay has occurred and that the repayment of the CLI and/or the relevant interest payment will be delayed and:

- (i) in relation to such event as of the Maturity Date, where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (a) the CLI will be repaid by the Bank by payment of the Relevant Final Amount less any Hedging Costs (if applicable) on the third Business Day following the Grace Period Extension Date (the "**Grace Period Deferred Maturity Date**"); and
 - (b) in the case of interest bearing CLI other than Linear Basket CLI, the Bank shall be obliged to pay interest calculated as provided herein in respect of the final Interest Payment Date, but shall only be obliged to make such payment of interest less any Hedging Costs (if applicable) on the Grace Period Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of paragraph 7.2 (b) (*Cash Settlement*) or (c) (*Physical Settlement*) above, as applicable, and paragraph 10.6 (*Accrual of Interest*) shall apply to the CLI; or
- (iii) in relation to such event as of an Interest Payment Date, the Bank may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (a) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date then the relevant amount of interest less any Hedging Costs (if applicable) shall be payable on the third Business Day following the Grace Period Extension Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Calculation Period or basis of calculation of the relevant amount of interest, other than as described above; (b) where a Failure to

Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined and payable in accordance with paragraph 7.2(b)(iv) in the case of Linear Basket CLI or otherwise paragraph 10.6 (*Accrual of Interest*) and may be zero or (c) a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has not occurred thereafter the relevant amount of interest less any Hedging Costs (if applicable) will be payable on the third Business Day following the Bank's determination that a Credit Event Determination Date will not occur.

(f) Credit Derivatives Determinations Committee Extension

If, in the determination of the Bank, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its related determination on or prior to the Maturity Date or any Interest Payment Date then the Bank may (at its option) notify the Customer that repayment of the CLI and/or payment of the relevant amount of interest due on the relevant Interest Payment Date has been postponed to a date (the "**DC Determination Postponed Payment Date**") being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable (c) fifteen (15) Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**"), and:

- (i) in the case of the Maturity Date, where a Credit Event has not occurred on or prior to the Extension Date or a Credit Event has occurred but no Credit Event Determination Date has occurred:
 - (a) the CLI will be repaid by payment of the Relevant Final Amount on the DC Determination Postponed Payment Date; and
 - (b) in the case of interest bearing CLI other than Linear Basket CLI, the Bank shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Payment Date, but shall only be obliged to make such payment of interest on the DC Determination Postponed Payment Date and no further or other amount in respect of

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interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Credit Event has occurred on or prior to the Extension Date and a Credit Event Determination Date has occurred, no payment shall be made on the DC Determination Postponed Payment Date and the provisions of paragraph 7.2 (b) or 7.2(c), as applicable, and paragraph 10.6 (*Accrual of Interest*) shall apply to the CLI; or
- (iii) in relation to such event as of an Interest Payment Date, the Bank may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Credit Event has not occurred on or prior to the Extension Date or a Credit Event has occurred but no Credit Event Determination Date has occurred, then the relevant amount of interest shall be payable on the DC Determination Postponed Payment Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Calculation Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Credit Event has occurred on or prior to the Extension Date and a Credit Event Determination Date has occurred, the relevant amount of interest will be determined and payable in accordance with paragraph 7.2(b)(iv) in the case of Linear Basket CLI or otherwise Paragraph 10.6 (*Accrual of Interest*) and may be zero.

(g) **Deferral of Certain Dates**

The following provisions may, for the avoidance of doubt, be applied on more than one occasion.

Without prejudice to paragraphs (f) (*Credit Derivatives Determinations Committee Extension*) or (m) (*Settlement Suspension*), if:

- (x) on or prior to (A) the Maturity Date, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if applicable, the Grace Period Extension Date, or (D) the DC Determination Cut-off Date if a DC Credit Event Question Dismissal has occurred, as the case may be, a Credit Event Determination Date has not occurred but in the opinion of the Bank, a Credit Event or (in respect of the Maturity Date only) Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred or may occur; or
- (y) on or prior to the Maturity Date, a Credit Event Determination Date has not occurred but in the determination of the Bank, a Potential

Repudiation/Moratorium may have occurred or may occur; or

- (z) (A) on or prior to any Interest Payment Date, a Credit Event Determination Date has not occurred but in the determination of the Bank, a Credit Event or Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred; or (B) on any Interest Payment Date, a Credit Event Determination Date has not occurred but in the determination of the Bank, a Potential Repudiation/Moratorium may have occurred or may occur,

the Bank may (at its option) notify the Customer that in the case of (x) or (y) above, repayment of the CLI and/or in the case of (z) above, payment of the relevant amount of interest due on the relevant Interest Payment Date, has been postponed to a date (such date, in the case of an Interest Payment Date, the “**Deferred Interest Payment Date**”, or in each other case, the “**Deferred Maturity Date**”) specified in such notice falling (X) 21 calendar days after, respectively, the Maturity Date, the relevant Interest Payment Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, as the case may be, or (Y) the DC Determination Postponed Payment Date, and:

- (i) in the case of sub-paragraph (x) above and if a Credit Event Determination Date has not occurred or, in the case of sub-paragraph (y) or (z)(B) above, the Repudiation/Moratorium Extension Condition is not satisfied or, in the case of sub-paragraph (z)(A) above, a Credit Event Determination Date has not occurred on or prior to the Deferred Interest Payment Date then:
 - (a) in the case of sub-paragraph (x) or (y) above and subject as provided below, the CLI will be repaid by payment of the Relevant Final Amount less any Hedging Costs (if applicable) on the Deferred Maturity Date; and
 - (b) in the case of sub-paragraph (x) or (y) above and in the case of interest bearing CLI other than Linear Basket CLI, the Bank shall be obliged to pay interest calculated as provided herein in respect of the final Interest Payment Date, but shall only be obliged to make such payment of interest less any Hedging Costs (if applicable) on the Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

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(c) in the case of a Deferred Interest Payment Date other than the Deferred Interest Payment Date falling on or about the Deferred Maturity Date and other than in the case of Linear Basket CLI, the Bank shall be obliged to pay the relevant amount of interest less any Hedging Costs (if applicable) on the Deferred Interest Payment Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or

(ii) in the case of:

(A) sub-paragraph (x) or sub-paragraph (z)(A) above, if a Credit Event Determination Date has occurred on or prior to the Deferred Maturity Date or relevant Deferred Interest Payment Date, no payment shall be made on the Deferred Maturity Date or Deferred Interest Payment Date and the provisions of paragraph 7.2(b) or 7.2(c), as applicable, and paragraph 10.6 (*Accrual of Interest*) shall apply to the CLI and in the case of Linear Basket CLI, the provisions of paragraph 7.2(b)(iv) will apply; and

(B) sub-paragraph (y) or subparagraph (z)(B) above, if the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Deferred Maturity Date or Deferred Interest Payment Date, as applicable, the provisions of paragraph 7.2(d) (*Repudiation/Moratorium Extension*) shall apply to the CLI and in the case of Linear Basket CLI, the provisions of paragraph 7.2(b)(iv) will apply.

(h) Procedures for Physical Delivery

If the CLI is to be redeemed by delivery of the Asset Amount, in order to obtain delivery of the Asset Amount in respect of the CLI, the Customer must, not later than the close of business in each place of reception on the Cut-Off Date, deliver a duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the Customer, and the details required for delivery of the Asset Amount;
- (2) include an undertaking to pay all Delivery Expenses;
- (3) specify an account to which any amounts payable pursuant to paragraph (i) (*Partial Cash Settlement*) or any other cash amounts specified in the terms of the CLI as being payable are to be paid; and

(4) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Bank.

Failure to complete and deliver an Asset Transfer Notice properly may result in such notice being treated as null and void.

Delivery of the Asset Amount in respect of each CLI shall be made at the risk of the Customer in such commercially reasonable manner as the Bank shall in its sole discretion determine and notify the Customer. All Delivery Expenses arising from the delivery of the Asset Amount in respect of such CLI shall be for the account of the Customer and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Bank by the Customer. The Bank shall not be obliged to make or procure any delivery if to do so would breach any applicable securities or other laws.

After delivery of the Asset Amount and for the Intervening Period, the Bank shall not at any time (i) be under any obligation to deliver or procure delivery to the Customer any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by the Bank in respect of such securities or obligations comprising the Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations, or (iii) be under any liability to the Customer in respect of any loss or damage which the Customer may sustain or suffer as a result, whether directly or indirectly, of that person not being registered during such Intervening Period as legal owner of such securities or obligations.

In relation to each Deliverable Obligation constituting the Asset Amount, the Bank will, subject to paragraph (m) (*Settlement Suspension*) below, Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on or prior to the Physical Settlement Date, provided that if all or some of the Deliverable Obligations included in the Asset Amount are (a) Undeliverable Obligations and/or Hedge Disruption Obligations, then the Bank shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, until the date that is 30 calendar days after the Physical Settlement Date (in respect of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, the "**Final Delivery Date**"), or (b) Undeliverable Loan Obligations or Unassignable Obligations, then the Bank shall continue to attempt to Deliver all or a portion of such Undeliverable Loan Obligations or Unassignable Obligations, as the case may be, until the date that is 15 Business Days after the Physical Settlement Date (in respect of such Undeliverable Loan Obligations or Unassignable Obligations, the "**Final Delivery Date**"), provided further that:

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- (i) if all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, (but subject to sub-paragraph (ii) below in the case of Assignable Loans or Consent Required Loans) are not Delivered by the Final Delivery Date, the provisions of paragraph (i)(i) (*Partial Cash Settlement*) shall apply; or
- (ii) if all or a portion of the Deliverable Obligations included in the Asset Amount consist of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date, the provisions of paragraph (i)(ii) (*Partial Cash Settlement*) shall apply.

If the Customer fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the Confirmation, the Bank will, subject as provided above, deliver the Deliverable Obligations constituting the Asset Amount as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if a Customer fails to give an Asset Transfer Notice prior to the day falling 45 days after the Cut-Off Date, the Bank's obligations in respect of such CLI shall be discharged and the Bank shall have no liability in respect thereof.

Notwithstanding that the CLI is not an Auction Settled CLI and notwithstanding anything set out in paragraph (c) (*Physical Settlement*) above or the foregoing provisions of this paragraph, if on or before the Physical Settlement Date the Bank determines that an Auction (in respect of the Reference Entity to which the Credit Event Notice relates) may be published on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Bank may elect in its sole and absolute discretion to postpone the Physical Settlement Date to any date determined by the Bank within the period of up to, and including, the date falling 60 Business Days after the Credit Event Determination Date. The Bank shall give notice of such election (such notice, an "**Auction Notice**") to the Customer. If an Auction Notice has been given to the Customer and the Bank determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Deliverable Obligations and (b) the date on which the Auction Final Price is, or is expected to be, determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the Credit Event Determination Date, the Bank may further elect in its sole and absolute discretion to repay the CLI either (1) by payment of the Auction Cash Settlement Amount on the second Business Day following the Auction Settlement Date in lieu of Delivering the relevant Deliverable Obligations (as specified in the Physical Settlement Notice or Physical Settlement Amendment Notice) or (2) by Delivery of the Deliverable

Obligations comprising the Asset Amount (as specified in the Physical Settlement Notice or Physical Settlement Amendment Notice), in either case on the postponed Physical Settlement Date. The Bank shall give notice of such election to the Customer.

(i) **Partial Cash Settlement**

- (i) If all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations or Undeliverable Participations are not Delivered by the Final Delivery Date (other than in respect of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered on that day or Direct Loan Participations that are not effected on or before that day), the Bank shall give notice (a "**Partial Cash Settlement Notice**") to the Customer and the Bank shall pay, in respect of each Undeliverable Obligation or Hedge Disruption Obligation or Undeliverable Participation, as the case may be, the Partial Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if "Adjustment for Hedging Costs" is specified as applicable in the Confirmation) on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Bank must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligations, as the case may be.

(ii)

If:

- (a) "Partial Cash Settlement of Consent Required Loans" is specified as applicable in the Confirmation and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an "**Undeliverable Loan Obligation**"); or
- (b) "Partial Cash Settlement of Assignable Loans" is specified as applicable in the Confirmation and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Assignable Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an "**Unassignable Obligation**"); or
- (c) "Partial Cash Settlement of Participations" is specified as applying in the relevant Confirmation and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Direct Loan Participations and the relevant participation is not effected on or before the Final Delivery Date (each such Deliverable Obligation being an "**Undeliverable Participation**"),

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the Bank shall give notice (a **"Partial Cash Settlement Notice"**) to the Customer and the Bank shall pay, in respect of each Undeliverable Loan Obligation or Unassignable Obligation or Undeliverable Participation, the Partial Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if "Adjustment for Hedging Costs" is specified as applicable in the Confirmation) on the Partial Cash Settlement Date.

For the avoidance of doubt, if none of "Partial Cash Settlement of Consent Required Loans", "Partial Cash Settlement of Participations" nor "Partial Cash Settlement of Assignable Loans" is specified as applicable in the Confirmation and all of the Deliverable Obligations comprising the Asset Amount consist of Undeliverable Loan Obligations or Unassignable Obligations or Undeliverable Participations, as the case may be, then the Bank shall have no further obligation to Deliver any Asset Amount or pay any Partial Cash Settlement Amount in respect of the CLI.

- (iii) If all or any part of the Asset Amount to be Delivered to the Customer is not a whole integral multiple of the smallest unit of transfer for any such Deliverable Obligation at the relevant time of Delivery, as determined by the Bank, the Bank will Deliver and such Customer will only be entitled to receive the portion of the Asset Amount specified by the Bank which is closest to but less than the full Asset Amount, after consideration of such smallest unit or units of transfer (such portion of the Asset Amount that is not so Delivered, a **"Delivery Shortfall"**), and the Bank will pay to such Customer in the Settlement Currency at the same time as such Delivery an amount in cash equal to the fair market value (if any) of such Delivery Shortfall, as determined by the Bank.

Unless otherwise specified in the Confirmation, for the purposes of this paragraph the following terms are deemed to have the following meanings:

"Indicative Quotation" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates. Indicative Quotations shall be applicable only in the event that the provisions of this paragraph are applicable;

"Market Value" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation or

Undeliverable Participation on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applicable in the Confirmation and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition of "Quotation" below, an amount as determined by the Bank on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if the Quotations are deemed to be zero, the Market Value shall be zero;

"Partial Cash Settlement Amount" is deemed to be for each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, the aggregate of the greater of (i) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation multiplied by the Final Price with respect to each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation and (ii) zero, provided that where the relevant Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, forms part of the Asset Package and the Bank determines in its sole discretion that a Final Price cannot reasonably be determined in respect of such Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, then the Partial Cash Settlement Amount will be an amount calculated by the Bank in its sole discretion equal to the fair market value (determined at such

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time and by reference to such sources as the Bank considers appropriate and which, for the avoidance of doubt, may be zero) of the relevant Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, less Hedging Costs;

"Partial Cash Settlement Date" is deemed to be the date falling three Business Days after the calculation of the Final Price;

"Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applicable in the Confirmation, each Indicative Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the relevant Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be with respect to a Valuation Date in the manner that follows:

- (i) The Bank shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Bank is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date), the Bank shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applicable in the Confirmation, the Bank shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (ii) If the Bank is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applicable in the Confirmation, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be zero.
- (iii) The Bank shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this determination.

"Quotation Amount" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation an amount equal to at least the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Bank by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation. For the purposes of this paragraph, there shall be deemed to be no Minimum Quotation Amount;

"Quotation Method" is deemed to be Bid;

"Valuation Method" is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations) in which case "Valuation Method" is deemed to be Market;

"Valuation Obligation" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation;

"Valuation Time" is deemed to be 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation; and

"Weighted Average Quotation" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in the aggregate are approximately equal to the Quotation Amount.

(j) Credit Event Notice after M(M)R Restructuring

Upon the occurrence of an M(M)R Restructuring:

- (i) The Bank may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth an amount to which such Restructuring Credit Event applies (the **"Partial Redemption Amount"**) that may be less than the principal amount outstanding of such CLI or, in the case of Linear Basket CLI, the relevant Reference

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- Entity Notional Amount immediately prior to the delivery of such Credit Event Notice.
- (ii) In such circumstances the provisions and definitions in these Terms relating to paragraph 7.2 (*Bank's rights upon Credit Event*) shall be deemed to apply to the Partial Redemption Amount only and the CLI shall be repaid in part (such repaid part being equal to the Partial Redemption Amount). Where applicable, references in these Terms to the Principal Amount shall be interpreted to mean the "Partial Redemption Amount" accordingly.
- (iii) For the avoidance of doubt: (A) the principal amount of the CLI not so repaid in part shall remain outstanding, the principal amount (or Adjusted Credit Outstanding Principal Amount in the case of Linear Basket CLI) and other relevant provisions of these Terms shall be amended in such manner as the Bank determines to be appropriate to reflect such partial repayment and interest shall accrue on the principal amount outstanding of such CLI as provided in paragraph 10 (*Interest*) (adjusted in such manner as the Bank in its sole and absolute discretion determines to be appropriate); (B) interest (if any) on the principal amount of the CLI partially repaid (equal to the Partial Redemption Amount) shall cease to accrue from and including the Interest Payment Date immediately preceding the Credit Event Determination Date or, if there is no such Interest Payment Date, the Effective Date; and (C) the provisions of these Terms shall apply to such principal amount outstanding of such CLI in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (D) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to the Customer under the relevant CLI, the Bank will (x) determine such adjustment(s) to the terms of the CLI as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate CLI or otherwise reflect or account for the effect of the above provisions of this paragraph and (y) the effective date of such adjustment(s).

In addition, in the case of a First-to-Default CLI, once a Credit Event Determination Date has occurred in respect of the First Reference Entity, where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

(k)

Provisions relating to Multiple Holder Obligation

If "Multiple Holder Obligation" is specified as applicable in the Confirmation, notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, where "Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirements in sub-paragraph (ii) above.

(l)

Force Majeure and Merger Event

If "Force Majeure Events" is specified as applicable in the Confirmation, the following provisions in this paragraph shall apply and shall continue to apply notwithstanding the occurrence of any Credit Event Determination Date for so long as the CLI is outstanding. For the avoidance of doubt, the provisions of this paragraph 7.2(l) shall apply without limitation in the case of Linear Basket CLI.

(i) Notice of Force Majeure Event

The Bank shall have the right to give notice in accordance at any time to the Customer if it determines in good faith that any of the following events (each a "**Force Majeure Event**") has occurred:

- (a) the performance of the Bank's obligations under the CLI has become unlawful in whole or in part as a result of compliance by the Bank with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority (as defined below) or otherwise;
- (b) the performance of the Bank's obligations under the CLI is prevented or materially hindered or delayed due to either (1) any act, law, rule, regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public

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- demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Bank's control;
- (c) it has become impracticable, illegal or impossible for the Bank or any of its relevant Affiliates, or the Bank or any of its relevant Affiliates are otherwise unable, (1) to convert the relevant currency (the "**Local Currency**") in which the relevant Valuation Obligation or traded instruments or any options or futures contracts or other hedging arrangement in relation to the Reference Entity (for the purposes of hedging the Bank's obligations under the CLI) are denominated or settled, into the Settlement Currency or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the relevant Valuation Obligation or any options or futures contracts in relation to the Valuation Obligation are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (2) for the Bank to determine a rate or (in the determination of the Bank) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the CLI;
- (d) it has become impracticable, illegal or impossible for the Bank or any of its relevant Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Valuation Obligation or any options or futures contracts in relation to the Valuation Obligation in order for the Bank to perform its obligations under the CLI or in respect of any relevant Hedging Arrangements in connection with the CLI (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Bank (or any of its Affiliates) in order to hedge, either individually or on a portfolio basis, the CLI) or the costs of so doing would (in the absolute determination of the Bank) be materially increased under the restriction;
- (e) it is not reasonably practicable for the Bank to settle the CLI pursuant to the terms in these Terms and the Confirmation following the occurrence of a Credit Event Determination Date due directly or indirectly to there being no Reference Obligation(s) and/or no Deliverable Obligation(s) in respect of the relevant Entity; or
- (f) any other event beyond the control of the Bank has occurred which makes it impracticable, illegal or impossible for the Bank to perform its obligations under the CLI or to hedge effectively its obligations under the CLI or the costs of so doing would (in the absolute determination of the Bank) be materially increased.
- (ii) Bank's Option following a Force Majeure Event
- If the Bank decides to give notice to the Customer of the occurrence of a Force Majeure Event pursuant to this paragraph, it shall state in such notice whether the CLI will be terminated pursuant to paragraph (iii) or whether the Bank's obligations under the CLI will be suspended pursuant to paragraph (iv) and, in the case of Linear Basket CLI, whether such consequence should apply in whole or in part in relation to the CLI. The notice may also state any adjustments the Bank deems necessary in its discretion to make to the CLI to give effect to any such consequence. If the Bank elects to give notice to the Customer of a suspension of its obligations under the CLI pursuant to paragraph (iv), the Bank shall nevertheless retain the right at all times to terminate the CLI pursuant to paragraph (iii) by giving notice to the Customer.
- (iii) Termination
- Upon the Bank's election to terminate the CLI as aforesaid in whole or in part (or upon expiry of the 10-day period referred to in paragraph (iv), the Bank will pay to the Customer an amount determined to be the fair market value of the CLI (or part thereof) as at termination (which may be nil) taking into consideration all information which the Bank deems relevant (including the circumstances that resulted in the occurrence of the Force Majeure Event) less the cost to the Bank and/or its Affiliates of unwinding any related Hedging Arrangements in whole or in part (including but not limited to selling or otherwise

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realising the Valuation Obligation/Obligations or any options or futures contracts in relation to the Valuation Obligation/Obligations or any other such property), all as determined by the Bank in its sole and absolute discretion. At the election of the Bank, such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the Customer will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable, illegal or impossible for the Bank to pay such amount in the Relevant Jurisdiction or the Customer does not establish the necessary account in the Relevant Jurisdiction to receive payment(s) in the currency the Bank elects, the Bank shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the Customer, including, if required, in an alternative currency.

(iv) Suspension

Upon the Bank's election to suspend the CLI or provisions in respect of part thereof, the Bank's obligations in respect of the CLI may be suspended up until the tenth day after such Force Majeure Event shall cease to exist.

(v) Loss

All determinations made by the Bank pursuant to this paragraph shall be conclusive and binding on the Customer. The Customer will not be entitled to any compensation from the Bank for any loss suffered as a result of the occurrence of a Force Majeure Event.

(vi) Termination following a Merger Event

If "Merger Event" is specified as applying in the Confirmation, in the event that in the determination of the Bank a Merger Event has occurred, the Bank may with notice to the Customer terminate the CLI and pay to the Customer an amount determined to be the fair market value of the CLI as at termination (which may be nil) taking into consideration all information it determines relevant less the cost to the Bank and/or its Affiliates of unwinding any Hedging Arrangements (including but not limited to selling or otherwise realising the Reference Obligation/Obligations or any options or futures contracts in relation to the Reference Obligation/Obligations or any other such property), all as determined by the Bank in its sole and absolute discretion. The Bank will notify the timing of such termination to the Customer.

For the purposes hereof:

"Government Authority" means any nation, state or government; any province or other political subdivision thereof; any body, agency or ministry; any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality; and any other entity exercising; executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Merger Event" means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date either (A) the Bank or a Reference Entity (any such entity, the **"Mergor"**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Bank, a Reference Entity or (ii) where the Mergor is a Reference Entity, the Bank, or (B) the Bank and a Reference Entity become Affiliates.

"Relevant Jurisdiction" has the meaning specified in the Confirmation and if it is not specified, it will mean the jurisdiction determined by the Bank in its sole and absolute discretion.

(m)

Settlement Suspension

If, following the occurrence of a Credit Event Determination Date but prior to (x) the Physical Settlement Date or Auction Settlement Date or, to the extent applicable, a Valuation Date or (y) in the case of a Fixed Recovery CLI, the relevant Cut-off Date, there is a DC Credit Event Meeting Announcement, the Bank may, at its option, determine that the applicable timing requirements of the CLI and the definitions of Credit Event Redemption Date, Valuation Date, Settlement Notice, Physical Settlement Notice, Physical Settlement Period, and any other provision of the CLI and/or the applicable Confirmation as determined by the Bank, shall toll and be suspended and remain suspended (such period, a **"Suspension Period"**) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period neither the Bank nor the Customer is obliged to, nor are they entitled to, take any action in connection with the settlement of the CLI. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of the CLI and/or the applicable Confirmation that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Bank having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this paragraph (m).

In the event of any such Suspension Period, the Bank may (x) make such consequential or other adjustment(s) or determination(s) to or in relation to terms of the CLI as may be desirable or required either during or following any Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

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(n) DC Resolution Adjustment Events

If following the publication of a DC Resolution (the "**Prior DC Resolution**"), a further DC Resolution (the relevant "**Further DC Resolution**") is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Bank and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of the CLI the Bank may, in its sole and absolute discretion, make any adjustment(s) that it determines is necessary or desirable to the CLI to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any).

(o) Additional Provisions for CoCo CLIs

Where the applicable Confirmation specifies that CoCo Provisions are applicable, the following provisions shall apply:

"CoCo CLI" means a CLI where the timing and/or amount of payments of interest and/or principal is determined with reference to an Obligation which contains a CoCo Provision.

"CoCo Provision" means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal repayable at maturity or (ii) a conversion of principal into shares or another instrument, in each case, at or below the Trigger Percentage of the Capital Ratio.

A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under the terms of the CLI.

If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of a CoCo Provision results in (i) a permanent or temporary reduction of the amount of principal repayable at maturity or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention.

"Trigger Percentage" means the trigger percentage specified in the applicable Confirmation (or if no such trigger percentage is specified, 5.25% per cent.).

"Capital Ratio" means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

(p) Provisions taken from the ISDA supplement titled "Additional Provisions for Senior Non-Preferred Reference Obligations" (published on 8 December 2017)

If this paragraph 7(p) is specified as applicable in the applicable Confirmation in respect of a Reference Entity, the following provisions will apply to the Reference Entity:

- (i) The definition of "Reference Obligation" in Schedule 2 is amended by the insertion of the following language after the words "if any" in the first line of such definition:

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

- (ii) The definition of "Seniority Level" in Schedule 2 shall be deleted and replaced with the following:

"Seniority Level" means with respect to an obligation of the Reference Entity, Senior Non-Preferred Level.

- (iii) **"Subordination"** shall have the meaning ascribed to such term in paragraph (c)(A)(2)(ii) under the definition of "Obligation" in Schedule 2 and such term shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterization of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction.

- (iv) The following terms shall have the following meanings:

"Senior Non-Preferred Obligation" means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed. A Senior Non-Preferred Obligation shall constitute a Subordinated Obligation as defined in Schedule 2 for the purposes of the Terms and

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it shall be deemed that there is a relevant Reference Obligation which is a Subordinated Obligation for the purposes of the definitions of "Excluded Obligation" and "Relevant Obligation" in Schedule 2.

"Traditional Subordinated Obligation" means (i) Tier 2 Subordinated Obligations of the Reference Entity; (ii) any obligations of the Reference Entity which rank or are expressed to rank pari passu with any Tier 2 Subordinated Obligations of the Reference Entity; and (iii) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (i) and (ii) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation. A Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation for the purposes of Schedule 2.

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

- (v) A Senior Non-preferred Obligation will constitute a Subordinated Obligation.

(q) **Provisions taken from the ISDA Supplement titled "2019 Narrowly Tailored Credit Event Supplement" (published on 15 July 2019)**

If this paragraph 7(q) is specified as applicable in the applicable Confirmation, the following provisions will apply:

- (a) Outstanding Principal Balance

The definition of "Outstanding Principal Balance" in Schedule 2 is hereby deleted in its entirety and replaced with the following:

"Outstanding Principal Balance" means the outstanding principal balance of an obligation which will be calculated as follows:

- (I) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the

Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

- (II) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (I) above) less any amounts subtracted in accordance with this paragraph (II), the **"Non Contingent Amount"**; and
- (III) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

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

For the purposes of paragraph (2) above, **"applicable laws"** shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

If **"Fallback Discounting"** is specified as applicable in the applicable Confirmation, then notwithstanding the above, if (I) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (2) above, (II) that obligation is either a Bond that has an issue price less than ninety-five per cent. of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent. of the principal repayment amount, and (III) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the

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Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent. of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Bank will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Bank in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Bank in its sole and absolute discretion in such manner and by reference to such source(s) as it determines appropriate."

(b) **Failure to Pay**

The definition of "Failure to Pay" in Schedule 2 is hereby deleted in its entirety and replaced with the following:

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

accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination. If "**Credit Deterioration Requirement**" is specified as applicable in the applicable Confirmation, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity. In the event that the Bank makes any such determination, it may take into account the guidance note set out in paragraph 3 (Interpretive Guidance) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on 15 July, 2019)."

(r) **Certain provisions relating to timing and payment timing and nonexclusive use of certain provisions hereof**

For the purposes of determining the day on which an event occurs for purposes of the terms of any CLI, the Bank will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Bank determines the Reference Entity has a material connection to any jurisdiction for these purposes, local time of the relevant jurisdiction) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Bank determines the Reference Entity has a material connection to any jurisdiction for these purposes, local time of the relevant jurisdiction), irrespective of the time zone of its place of payment.

The application of any of paragraphs 7.2 (d), (e), (f), (g) and (m) shall, for the avoidance of doubt, not preclude the application of any other such paragraph either contemporaneously or subsequently and in the event that any such paragraphs are inconsistent or could be interpreted to imply the double counting of any amounts or the Bank becomes entitled to exercise a discretion under one or more of such paragraphs, the Bank may

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elect in its sole and absolute discretion which paragraph shall apply and under which paragraph or paragraphs it shall exercise its discretion.

(s) **Early Repayment of Reference Obligation Only CLI following a Substitution Event or Repurchase**

If the CLI is a Reference Obligation Only CLI relating to a single Reference Entity and (i) the event set out in paragraph (a) of the definition of Substitution Event occurs with respect to the Reference Obligation or (ii) the Bank determines the Reference Obligation has been repurchased in whole pursuant to the terms of the Reference Obligation or a tender offer, then:

- (i) interest (if any) shall cease to accrue on the CLI from and including the Interest Payment Date immediately preceding the relevant (i) Substitution Event Date or (ii) the date of repurchase as determined by the Bank or, if no Interest Payment Date has occurred, no interest will accrue on the CLI; and
- (ii) the CLI will be early repaid by the Bank at the Reference Obligation Only Termination Amount (as defined in the Confirmation) on the day falling 3 Business Days following the relevant (i) Substitution Event Date or (ii) date of repurchase as determined by the Bank.

8. EARLY REDEMPTION

8.1 If "Early Redemption" is specified as applicable in the Confirmation, the Bank may, by giving not less than two Business Days' prior notice (or such other notice period as specified in the Confirmation) to the Customer redeem the CLI, in whole or in part (but if in part, in an integral multiple of U.S.\$ 1,000,000 or such other amount specified in the Confirmation) (such amount being the "**Early Redemption Amount**") on any Business Day specified in the Confirmation, or, if not so specified, any Business Day after the Effective Date (such date being the "**Early Redemption Date**") together with any accrued Interest Amount on the amount of the CLI so redeemed early. If "Adjustment for Hedging Costs" is specified in the Confirmation, the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

8.2 Upon the early redemption of the CLI (or part of the CLI) pursuant to paragraph 8.1 above, the Bank shall have no further obligations to the Customer under the CLI with respect to the amount of the CLI so redeemed early.

8.3 Where a Credit Event or Potential Credit Event has occurred after the date on which the Bank has notified the Customer of its intention to redeem the CLI pursuant to paragraph 8.1 above, but prior to the Early Redemption Date, the Bank shall have the right but not the obligation to revoke such notice which shall thereafter be null and void and of no effect whatsoever.

8.4 Subject to paragraph 8.3 above, any notice of early redemption by the Bank is irrevocable.

8.5 Any early redemption of the CLI under this paragraph 8 shall be made without any penalty.

9. CALCULATION PERIODS

9.1 Duration

In respect of each CLI, each calculation period (a "**Calculation Period**") will be the period from, and including, one Interest Payment Date to, but excluding, the next following Interest Payment Date, except that:

- (a) the initial Calculation Period shall commence on, and include, the Effective Date, and
- (b) the final Calculation Period shall end on, but exclude:
 - (i) where the CLI is to be redeemed pursuant to paragraph 7.1, the Maturity Date; or
 - (ii) where the CLI is to be redeemed pursuant to paragraph 7.2, and
 - (x) if "No Accrual of Interest upon Credit Event" is specified as being applicable in the Confirmation, the Interest Payment Date (or, if none, the Effective Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date (or, as the case may be, the Effective Date) such Interest Payment Date (or, as the case may be, the Effective Date); or
 - (y) if "Partial Accrual of Interest upon Credit Event" is specified as being applicable in the Confirmation, the Credit Event Determination Date; or
 - (iii) where the CLI is to be redeemed in full pursuant to paragraph 8.1, the Early Redemption Date.

9.2 Non-Business Days

If any Interest Payment Date is not a Business Day, then, if the Business Day Convention specified in the Confirmation is:

- (a) the Following Business Day Convention, such day shall be postponed to the next day which is a Business Day;
- (b) the Modified Following Business Day Convention, such day 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 day shall be brought forward to the immediately preceding Business Day; or

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- (c) the Preceding Business Day Convention, such day shall be brought forward to the immediately preceding Business Day.

If "No Adjustment" or "unadjusted" is specified in the applicable Confirmation in respect of any date, then if that date falls on a day which is not a Business Day, no adjustment will be made to that date.

9.3 Coincidence with Maturity Date

If a Calculation Period would otherwise overrun the Maturity Date, it shall be shortened so that it ends on the Maturity Date.

9.4 Other adjustments

The Customer and the Bank may enter into such other arrangements as they may agree for the adjustment of Calculation Periods and the consolidation and/or splitting of the CLI.

10. INTEREST

10.1 Interest Rate

If the rate of interest ("**Interest Rate**") specified in the Confirmation is "Floating Rate", the Interest Rate on the CLI for each of its Calculation Periods is the rate per annum determined by the Bank to be the aggregate of:

- (a) the Margin; and
- (b) the Reference Rate as specified in the Confirmation, subject to a minimum of zero.

If the Interest Rate specified in the Confirmation is "Fixed Rate", the Interest Rate on the CLI for each of its Calculation Periods is the fixed rate per annum specified in the Confirmation.

Interest accrues from day to day. The amount of interest ("**Interest Amount**") payable on each Interest Payment Date in respect of the CLI shall be calculated by the Bank as the product of the Interest Rate, the principal amount of the CLI which remains outstanding on the last day of the relevant Calculation Period and the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the currency of the CLI, half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

10.2 Administrator/Benchmark Event Provisions

The provisions in paragraph 10.3 (*Reference Rate*) below are subject to the provisions of paragraph 26 (*Redemption or Adjustment for an Administrator/Benchmark Event*) in the event of the occurrence of an Administrator/Benchmark Event. For the purposes hereof and of the Administrator/Benchmark Event Provisions and notwithstanding anything to the contrary in the Terms:

"**Benchmark**" will include, without limitation, any interest rate (howsoever described in the Terms and as amended from time to time pursuant to the provisions of the Administrator/Benchmark Event Provisions), including, without limitation, any floating rate determined by reference to (a) Screen Rate Determination, (b) ISDA Determination, (c) Compounded Rate Determination, or (d) Indexed Rate Determination and, in each case will, where appropriate and without limitation, include any related component or rate or underlying rate (including, for the purposes of the 2021 Definitions any Underlying Benchmark, as defined therein), tenor or index rate. Where more than one Benchmark is applicable in respect of the CLI, "Benchmark" shall be construed to refer to each such Benchmark. Where a Benchmark applies in respect of any relevant period or day as specified in the applicable Confirmation, "Benchmark" shall be construed to refer to such Benchmark in respect of the relevant period or day as specified in the applicable Confirmation.

10.3 Reference Rate

The Reference Rate shall be an interest rate determined by reference to: (a) ISDA Determination; (b) Screen Rate Determination; (c) Compounded Rate Determination; (d) Indexed Rate Determination; or (e) the relevant terms set out under Reference Rate in the Confirmation.

(a) ISDA Determination

(i) ISDA Rate

Where ISDA Determination is specified in the applicable Confirmation as the manner in which the Reference Rate is to be determined and subject as provided below, the Reference Rate for each Calculation Period will be the relevant ISDA Rate multiplied by the Multiplier (if any), plus or minus (as indicated in the applicable Confirmation) the Margin (if any), PROVIDED THAT if "Minimum ISDA Rate" is specified in the applicable Confirmation, then the ISDA Rate shall be subject to such minimum.

For the purposes of this paragraph (i), "**ISDA Rate**" for a Calculation Period means a rate (as determined by the Bank) equal to the Floating Rate that would be determined by the Bank under an interest rate swap transaction (a "**Swap Transaction**" or a "**Transaction**") if the Bank were acting as "Calculation Agent" (as defined in the ISDA Definitions, the "**ISDA Calculation Agent**") for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions, and under which:

- (A) the Floating Rate Option is as specified in the Confirmation;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Confirmation; and

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- (C) the relevant Reset Date is the day specified in the applicable Confirmation,

provided that, if the Bank determines that the determination of the Reference Rate in accordance with the ISDA Definitions read with the above provisions and prior to the application of (1) where the 2006 Definitions are specified in the applicable Confirmation, any provisions relating to an index cessation event (howsoever described) or other permanent cessation fallback provisions in the 2006 Definitions (including where applicable such fallbacks set out in any supplement to the 2006 Definitions) or (2) where the 2021 Definitions are specified in the applicable Confirmation, any provisions relating to permanent cessation or an Administrator/Benchmark Event in the 2021 Definitions (including, for the avoidance of doubt any Discontinued Rates Maturities provisions) would not produce a commercially reasonable result or the Reference Rate cannot be so determined then, subject as provided in these Terms, the ISDA Rate for such Calculation Period shall be such rate as is determined by the Bank having regard to comparable benchmarks then available, the adjustment made in relation to any hedging arrangements in respect of the CLI, Relevant Information (as described in paragraph 26.5 (*Definitions*) below), industry developments and market consensus in any related market (including without limitation the derivatives market).

For the purposes of this paragraph (i) terms used for the purposes of determining the relevant ISDA Rate under the relevant ISDA Definitions shall have the meanings given to those terms in the relevant ISDA Definitions and the date on which any ISDA Rate is to be determined shall be an **"Interest Determination Date"**.

- (A) References in the case of 2006 Definitions to:

- numbers, financial centres or other items specified in the relevant confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Confirmation;
- the "Effective Date" shall be to the date specified as such in the applicable Confirmation;
- a "Period End Date" shall be deemed to be references to an Interest Payment Date (unless otherwise specified in the applicable Confirmation);
- a "Floating Rate Day Count Fraction" shall be deemed to be references to the relevant Day Count Fraction;
- a "Payment Date" shall be deemed to be references to an Interest Payment Date; and

- the "Termination Date" shall be to the date specified as such in the applicable Confirmation.

- (B) References in the case of 2021 Definitions to:

- numbers, financial centres or other items specified in the relevant confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Confirmation;
- the "Effective Date" shall be to the date specified as such in the applicable Confirmation;
- a "Period End Date" shall be deemed to be references to an Interest Payment Date (unless otherwise specified in the applicable Confirmation), PROVIDED THAT where the Business Day Convention applicable to the relevant Interest Payment Date (or each such other date as specified in the applicable Confirmation) is "Modified Following Business Day Convention" or "Preceding Business Day Convention" and "Termination Date adjustment for Unscheduled Holiday" is specified to be applicable in the applicable Confirmation and that Interest Payment Date (or such other date as specified in the applicable Confirmation) would otherwise fall on a day that is not a Business Day as a result of an Unscheduled Holiday, that date will instead fall on the first following day that is a Business Day;
- a "Floating Rate Day Count Fraction" shall be deemed to be references to the relevant Day Count Fraction;
- a "Payment Date" shall be deemed to be references to an Interest Payment Date, PROVIDED THAT where the Business Day Convention applicable to the relevant Interest Payment Date (or each such other date as specified in the applicable Confirmation) is "Modified Following Business Day Convention" or "Preceding Business Day Convention" and that Interest Payment Date would otherwise fall on a day that is not a Business Day as a result of an Unscheduled Holiday, that date will instead fall on the first following day that is a Business Day and, unless otherwise specified in the applicable Confirmation, where any other payment date (a **"Related Payment Date"**) is scheduled to fall on the same day, that Related Payment Date shall also be adjusted accordingly, and no further or other amount in respect of interest shall be payable and no

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additional amount shall be payable in respect of such delay; and

- the "Termination Date" shall be to the date specified as such in the applicable Confirmation.

Notwithstanding anything to the contrary in the ISDA Definitions:

- (A) all calculations, determinations, decisions, selections, elections, and opinions made by the Bank shall be made its discretion, having regard, in each case, to any criteria stipulated in the relevant provisions in these Terms, and any such provision in the relevant ISDA Definitions shall be disregarded. In addition, all calculations and determinations made in respect of the CLI by the Bank under the Terms shall (save in the case of manifest error) be final, conclusive and binding on the Bank and the Customer;
- (B) any requirement under the ISDA Definitions for the ISDA Calculation Agent: (i) to give notice of a determination made by it to any other party will be deemed to be a requirement for the Bank to provide an equivalent notice in relation to the CLI (if applicable); and (ii) to consult with the other party will be deemed to be a requirement for the Bank to consult with the Customer (if applicable). Any such notice or consultation may be given or carried out in accordance with the Terms. In addition the right of any party under the ISDA Definitions to require the ISDA Calculation Agent to take any action or fulfil any responsibility will be deemed to be solely the right of the Bank in its discretion and no Customer will have any right to require the Bank to do this or to direct the Bank in this regard;
- (C) where the ISDA Definitions require agreement between the parties to the relevant transaction, the parties will be deemed to have been unable to reach agreement and the fallback applicable in such circumstances will be deemed to apply;
- (D) in the event that the Bank determines that any Fixing Day or other day on which an ISDA Rate is determined under the ISDA Definitions is less than two Business Days prior to the relevant date originally scheduled for payment, the Bank may determine that such date for payment and/or any Related Payment Date be delayed to a date falling not more than two Business Days after the relevant Fixing Day or relevant other day and the Customer shall not be entitled to further interest or any other payment in respect of such delay;
- (E) in respect of the 2021 Definitions only, in the event that the Correction Time Period applicable to an ISDA Rate ends later than two Business Days prior to the

relevant date for payment, any corrections published after the second Business Day prior to the relevant date for payment may be disregarded for the purposes of determining the relevant ISDA Rate; and

- (F) in respect of the 2021 Definitions only, if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix (as defined in the 2021 Definitions), the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be deemed replaced by "Temporary Non-Publication Fallback – Previous Day's Rate" where "Adjusted Temporary Non-Publication Fallback" is specified as applicable in the applicable Confirmation.

If any adjustment, fallback, modification, correction or replacement of a relevant rate applies pursuant to the ISDA Definitions or an interest rate Swap Transaction thereunder then, in relation thereto, the Bank may but shall not be required to (i) if it would not otherwise apply in relation to the determination of the ISDA Rate in accordance with the above provisions, take into account any such any adjustment, fallback, modification, correction or replacement (including by reference to the hedging arrangements for the relevant CLI in determining of the relevant ISDA Rate and (ii) make any related or consequential changes to the Terms not otherwise provided for in this paragraph 10.3 (including without limitation any technical, administrative or operational changes, changes to the definition of Calculation Period, timing and frequency of determining rates and making payments of interest and changes to the definition of Designated Maturity (where applicable)) that the Bank determines to be appropriate in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no appropriate market practice exists, in such other manner as the Bank determines is reasonably necessary).

- (ii) **Linear Interpolation**

The provisions relating to "Linear Interpolation" set out in the 2021 Definitions shall apply to an ISDA Rate where "2021 Definitions Linear Interpolation" is specified as applicable in the applicable Confirmation. If such provisions apply, the provisions of paragraph 10.4 (*Linear Interpolation*) of these Terms shall not apply to the relevant ISDA Rate.

- (b) **Screen Rate Determination**

Where Screen Rate Determination is specified in the applicable Confirmation as the manner in which the Reference Rate is to be determined, the Reference Rate for the relevant Calculation Period will be the Screen Rate for such Calculation Period

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multiplied by the Multiplier (if any), plus or minus (as indicated in the relevant Confirmation) the Margin (if any). For the purposes of this subparagraph (b), the **"Screen Rate"** for any Interest Determination Date will, subject as provided below, be:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations; or
- (iii) the rate provided by the relevant administrator,

(expressed as a percentage rate per annum) for the Relevant Benchmark which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question, all as determined by the Bank.

For the purposes of this paragraph 10.3(b), **"Relevant Benchmark"** means each reference rate benchmark as specified in the relevant Confirmation, and **"Relevant Screen Page"** means the page as specified in the relevant Confirmation.

Where the Screen Rate is determined in accordance with (ii) above, if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If (w) the Relevant Screen Page is not available or (x) in the case of (i) above, no such offered quotation appears or (y) in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph or (z) in the case of (iii) above, the Relevant Benchmark does not appear on the Relevant Screen Page and/or the Relevant Benchmark is not provided or published by the relevant administrator and/or a relevant authorised distributor or a component of the Relevant Benchmark is not provided or published, in each case, as at the Specified Time, the Screen Rate shall be determined by the Bank in good faith and in a commercially reasonable manner having regard to such sources as it deems appropriate and any alternative benchmark then available and taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market). For the avoidance of doubt and without limitation, the Bank may determine the relevant Screen Rate by reference to one of the following:

- (i) the Relevant Benchmark for the relevant designated maturity (where applicable) published on the relevant Interest Determination Date on a different screen page by another authorised distributor of the relevant rate;

- (ii) a rate formally recommended for use by the administrator of the Relevant Benchmark or the supervisor or competent authority (or a committee endorsed or convened by any such entity) responsible for supervising the Relevant Benchmark or the administrator thereof; or
- (iii) the Relevant Benchmark for the relevant designated maturity (where applicable) last provided or published by the relevant administrator; or
- (iv) the arithmetic mean of quotations provided by reference banks selected by the Bank on a date determined by the Bank for a representative amount (and, where relevant with an acknowledged dealer of good credit in the swap market) and, if applicable, for a term equal to the designated maturity, calculated in the manner determined by the Bank.

In the event that the Screen Rate is subsequently corrected, and the correction (the **"Corrected Rate"**) is published after the original publication but no later than the longer of (a) one hour after such original publication and (b) any other period for corrections specified by a relevant administrator in its methodology for the relevant Relevant Benchmark, then PROVIDED THAT such Corrected Rate is published on or prior to the date falling two Business Days prior to the date on which a related payment is scheduled to be made under the CLI (the **"Relevant Scheduled Payment Date"**), then such Corrected Rate shall be deemed to be the relevant Screen Rate and the Bank shall use such Corrected Rate in determining any relevant amount payable in respect of the CLI. Any corrections published after the second Business Day prior to the Relevant Scheduled Payment Date shall be disregarded for the purposes of determining the relevant Screen Rate.

(c) Compounded Rate Determination

Where Compounded Rate Determination is specified for a CLI in the applicable Confirmation as the manner in which the Reference Rate is to be determined, the Reference Rate for the relevant Calculation Period will, subject as provided below, be the Compounded Rate for such Calculation Period multiplied by the Multiplier (if any), plus or minus (as indicated in the applicable Confirmation) the Margin (if any), as calculated by the Bank:

For the purposes of this subparagraph (c), "Compounded Rate" for the relevant Calculation Period will, subject as provided below, be the rate of return of a daily compound interest investment (with the Compounded Reference Rate specified in the applicable Confirmation as the reference rate for the calculation of interest) calculated by the Bank in accordance with the following formula, and the resulting percentage will be rounded if necessary to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541% (or 0.09876541) being

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rounded down to 9.87654% (or 0.0987654) and 9.876545% (or 0.09876545) being rounded up to 9.87655% (or 0.0987655); and -9.876541% (or -0.09876541) being rounded up to -9.87654% (or -0.0987654) and -9.876545% (or -0.09876545) being rounded down to -9.87655% (or -0.0987655));

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Compounded Reference Rate}_A \times n_i}{\text{Day Count Basis}} \right) - 1 \right] \times \frac{\text{Day Count Basis}}{d}$$

where:

"Applicable Business Day" means:

- (i) where in the applicable Confirmation "SONIA" is specified as the Compounded Reference Rate, a London Business Day;
- (ii) where in the applicable Confirmation "SOFR" is specified as the Compounded Reference Rate, a U.S. Government Securities Business Day;
- (iii) where in the applicable Confirmation "€STR" is specified as the Compounded Reference Rate, a TARGET Settlement Day;
- (iv) where in the applicable Confirmation "SORA" is specified as the Compounded Reference Rate, a Singapore Business Day; and
- (v) where in the applicable Confirmation "TONA" is specified as the Compounded Reference Rate, a Tokyo Business Day;

"Compounded Rate Observation Period" means in respect of each Calculation Period, the period from, and including, the date falling p Applicable Business Days preceding the first calendar day in such Calculation Period to, but excluding, the date p Applicable Business Days preceding the day on which such Calculation Period ends but which by its definition is excluded from the Calculation Period;

"Compounded Reference Rate" means:

- (i) where in the applicable Confirmation "SONIA" is specified as the Compounded Reference Rate, in respect of any London Business Day, a reference rate equal to the Sterling Overnight Index Average rate administered by the Bank of England (or any successor administrator) and published as of the relevant Fixing Time on the relevant Fixing Day (each as specified in the applicable Confirmation) ("**SONIA**");
- (ii) where in the applicable Confirmation "SOFR" is specified as the Compounded Reference Rate, in respect of any U.S. Government Securities Business Day ("**USBDx**"), a reference rate equal to the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor

administrator) and published as of the relevant Fixing Time on the relevant Fixing Day (each as specified in the applicable Confirmation) ("**SOFR**");

- (iii) where in the applicable Confirmation "€STR" is specified as the Compounded Reference Rate, in respect of any TARGET Settlement Day, a reference rate equal to the euro short term rate ("**€STR**") administered by the European Central Bank (or any successor administrator) and published as of the relevant Fixing Time on the relevant Fixing Day (each as specified in the applicable Confirmation);
- (iv) where in the applicable Confirmation "SORA" is specified as the Compounded Reference Rate, in respect of any Singapore Business Day, a reference rate equal to the Singapore Overnight Rate Average ("**SORA**") administered by the Monetary Authority of Singapore (or any successor administrator) and published as of the relevant Fixing Time on the relevant Fixing Day (each as specified in the applicable Confirmation); or
- (v) where in the applicable Confirmation "TONA" is specified as the Compounded Reference Rate, in respect of any Tokyo Business Day, a reference rate equal to the Tokyo Overnight Average Rate ("**TONA**") administered by the Bank of Japan (or any successor administrator) and published as of the relevant Fixing Time on the relevant Fixing Day (each as specified in the applicable Confirmation),

provided that if the Compounded Reference Rate is not provided or published by the relevant administrator and/or a relevant authorised distributor, or is unavailable or otherwise cannot be determined, the Compounded Reference Rate shall be determined by the Bank in good faith and in a commercially reasonable manner having regard to such sources as it deems appropriate and any alternative benchmark then available and taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market). For the avoidance of doubt and without limitation, the Bank may determine the relevant Compounded Reference Rate by reference to one of the following:

- (x) a rate formally recommended for use by the administrator of the Compounded Reference Rate or the supervisor or competent authority (or a committee endorsed or convened by any such entity) responsible for supervising the Relevant Benchmark or the administrator thereof; or
- (y) the Compounded Reference Rate last provided or published by the relevant administrator; or
- (z) the arithmetic mean of quotations provided by reference banks selected by the Bank on a date

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determined by the Bank for a representative amount (and, where relevant with an acknowledged dealer of good credit in the swap market) and, if applicable, for a term equal to the designated maturity, calculated in the manner determined by the Bank;

"Compounded Reference Rate_A" means:

- (a) where in the applicable Confirmation "Lookback" is specified as the RFR Observation Method, (save as specified in the applicable Confirmation) in respect of any day i in the Calculation Period, the Compounded Reference Rate (as specified in the applicable Confirmation) for the Applicable Business Day falling p Applicable Business Days prior to such day except if $i = 1$ and day " i " is not an Applicable Business Day, then it is the day $p + 1$ Applicable Business Days preceding day " i "; or
- (b) where in the applicable Confirmation "Observation Period Shift" is specified as the RFR Observation Method, (save as specified in the applicable Confirmation) Compounded Reference Rate _{i} , where Compounded Reference Rate _{i} is, in respect of any Applicable Business Day _{i} falling in the relevant Compounded Rate Observation Period, the Compounded Reference Rate (as specified in the applicable Confirmation) for such Applicable Business Day,

provided in each case that if "Daily Capped Rate and/or Daily Floored Rate" is specified as applicable in the relevant Confirmation, such rate will instead be either (I) the greater of the rate determined in accordance with paragraph (a) or (b) above, as applicable, and the Daily Floored Rate specified (if any) (but in any case not higher than the Daily Capped Rate specified (if any)); or (II) the lower of the rate determined in accordance with paragraph (a) or (b) above, as applicable, and the Daily Capped Rate specified (if any) (but in any case not lower than the Daily Floored Rate specified (if any)), as applicable;

"d" means the number of calendar days in (where in the applicable Confirmation "Lookback" is specified as the RFR Observation Method) the relevant Calculation Period or (where in the applicable Confirmation "Observation Period Shift" is specified as the RFR Observation Method) the relevant Compounded Rate Observation Period;

"d₀" means (i) (where in the applicable Confirmation "Lookback" is specified as the RFR Observation Method) for any Calculation Period, the number of Applicable Business Days in the relevant Calculation Period or if the first calendar day of the Calculation Period is not an Applicable Business Day, then it is the number of Applicable Business Days in the relevant Calculation Period plus 1; or (ii) (where in the applicable Confirmation "Observation

Period Shift" is specified as the RFR Observation Method) for any Compounded Rate Observation Period, the number of Applicable Business Days in the relevant Compounded Rate Observation Period;

"Day Count Basis" means, where in the applicable Confirmation "SONIA", "SORA" or "TONA" is specified as the Compounded Reference Rate, 365 or, where in the applicable Confirmation "SOFR" or "€STR" is specified as the Compounded Reference Rate, 360;

"i" means a series of whole numbers and (i) where in the applicable Confirmation "Lookback" is specified as the RFR Observation Method, (a) if the first calendar day in the Calculation Period is an Applicable Business Day, such series of whole numbers represents the relevant Applicable Business Days in chronological order from, and including, the first Applicable Business Day in the Calculation Period; or (b) if the first calendar day of the Calculation Period is not an Applicable Business Day, $i = 1$ represents the first calendar day of the Calculation Period, and each of $i = 2$ to d_0 represents the relevant Applicable Business Day in chronological order from, and including, the first Applicable Business Day in the Calculation Period; or (ii) where in the applicable Confirmation "Observation Period Shift" is specified as the RFR Observation Method, such series of whole numbers represents the relevant Applicable Business Days in chronological order from, and including, the first Applicable Business Day in the Compounded Rate Observation Period;

"London Business Day" means a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in London;

"Lookback/Shift Factor" means the number of Applicable Business Days specified in the applicable Confirmation;

"n_i", for any day i , means the number of calendar days from and including such day i up to, but excluding, the following Applicable Business Day or, if earlier, the last day of the relevant Calculation Period;

"p" means (save as specified in the applicable Confirmation) the number of Applicable Business Days included in the Lookback/Shift Factor specified in the applicable Confirmation;

"Singapore Business Day" or "SBD" means a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Singapore;

"TARGET Settlement Day" or "TBD" means a day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system) (or any successor transfer system) is open for the settlement of payments in Euro;

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"Tokyo Business Day" or **"TOBD"** means a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Tokyo; and

"U.S. Government Securities Business Day" means any day, except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(d) **Indexed Rate Determination**

(i) **Compounded Daily SONIA – Index Determination**

Where Indexed Rate Determination is specified for a CLI in the applicable Confirmation as the manner in which the Reference Rate is to be determined, the Relevant Benchmark is Compounded Daily SONIA, the Reference Rate for each Calculation Period will be calculated by reference to the screen rate or index administered by the administrator of the Sterling Overnight Index Average ("**SONIA**") reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant determination dates specified below, as further specified in the applicable Confirmation (the "**SONIA Compounded Index**") and the following formula. For the avoidance of doubt, such Reference Rate will be multiplied by the Multiplier (if any), plus or minus (as indicated in the applicable Confirmation) the Margin (if any), as calculated by the Bank.

Compounded Daily SONIA rate =

$$\left(\frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

"SONIA Index_{Start}" denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Calculation Period;

"SONIA Index_{End}" denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the day on which the relevant Calculation Period ends (but which by its definition is excluded from the Calculation Period);

"d" is the number of calendar days from, and including, the day in relation to which SONIA Index_{Start} is determined to, but excluding, the day in relation to which SONIA Index_{End} is determined;

"London Banking Day" means any calendar day (other than a Saturday and Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; and

"Relevant Number" is as specified in the applicable Confirmation.

(ii) **Compounded Daily SOFR – Index Determination**

Where Indexed Rate Determination is specified for a CLI in the applicable Confirmation as the manner in which the Reference Rate is to be determined, the Relevant Benchmark is Compounded Daily SOFR, the Reference Rate for each Calculation Period will be calculated by reference to the following formula and based on the SOFR Index (as defined below), as further specified in the applicable Confirmation and the resulting percentage will be rounded if necessary to the nearest one hundred-thousandth of a percentage point e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). For the avoidance of doubt, such Reference Rate will be multiplied by the Multiplier (if any), plus or minus (as specified in the applicable Confirmation) the Margin (if any), all as calculated by the Bank.

Compounded Daily SOFR =

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

where:

"SOFR Index_{Start}" is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first date of the relevant Calculation Period;

"SOFR Index_{End}" is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Calculation Period;

"SOFR Index" means, in respect of any U.S. Government Securities Business Day, the SOFR Index value as published by the Federal Reserve Bank of New York, as the administrator of such index (or any successor administrator of such index) as such index appears on the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor website or the website of any successor administrator for the publication of such index at 3:00 pm New York City time; and

"d_c" is the number of calendar days from, and including, the day in relation to which SOFR Index_{Start} is determined to, but excluding, the day in relation to which SOFR Index_{End} is determined.

"U.S. Government Securities Business Day" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that

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the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

10.4 Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of a Calculation Period in the applicable Confirmation, the Reference Rate for such Calculation Period shall be calculated by the Bank by straight-line linear interpolation by reference to two rates based on the relevant Relevant Benchmark (where Screen Rate Determination is specified as applicable in the applicable Confirmation) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Confirmation), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Calculation Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Calculation Period provided that, if there is no rate available for a period of time next shorter or, as the case may be, longer, then the Bank shall determine such rate at such time and reference to such sources as it determines appropriate.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Relevant Benchmark.

10.5 Due dates

Except as otherwise provided in these Terms or the Confirmation, accrued interest on each CLI is payable by the Bank on each relevant Interest Payment Date; provided, however, that if the provisions of paragraph 7.2(g) (*Deferral of Maturity Date*) apply, the accrued interest on such CLI in respect of the relevant final Calculation Period (subject to the provisions of paragraph 10.6 (*Accrual of Interest*)) is payable on the Deferred Maturity Date.

10.6 Accrual of Interest

Each CLI will cease to bear interest (if any) from and including:

- (a) where it is to be redeemed pursuant to paragraph 7.1, the relevant Maturity Date; or
- (b) where the CLI is to be redeemed pursuant to paragraph 7.2, and
 - (i) if "No Accrual of Interest upon Credit Event" is specified as being applicable in the Confirmation, the Interest Payment Date (or, if none, the Effective Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date (or, as the case may be, the Effective Date) such

Interest Payment Date (or, as the case may be, the Effective Date); or

- (ii) if "Partial Accrual of Interest upon Credit Event" is specified as being applicable in the Confirmation, the Credit Event Determination Date; or

- (c) where it is to be terminated pursuant to paragraph 8.1, the Early Redemption Date.

In the case of paragraph 10.6(b)(ii), any accrued interest up to but excluding the Credit Event Determination Date shall be paid on the second Business Day following the Auction Settlement Date or on the Credit Event Redemption Date (as the case may be) or on or prior to the Scheduled Physical Settlement Date. The obligation of the Bank to make any payment of interest in respect of such CLI is subject to the Bank for the time being not redeeming such CLI pursuant to paragraph 7.2. If the Bank exercises the right to redeem such CLI following a Credit Event pursuant to paragraph 7.2, the Bank shall have no obligation to make any payment of interest in respect of such CLI as from and including the day interest ceases to accrue on such CLI as described above and any payment of interest not being so made shall not constitute a default by the Bank.

10.7 Notification

If the Interest Rate specified in the Confirmation is "Floating Rate", the Bank shall promptly notify the Customer of the determination of the relevant Reference Rate and Interest Rate.

10.8 Amendments by a Relevant Administrator

In the event that the administrator of a relevant Benchmark amends the methodology of such Benchmark (including, without limitation, amendments to the time of publication of the relevant rate), the Bank may but shall not be required to make any related or consequential changes to the Terms not otherwise provided for in this paragraph (including, without limitation, any technical, administrative or operational changes, changes to timing and frequency of determining rates and making payments of interest and changes to the definition of Designated Maturity (where applicable)) that the Bank determines to be appropriate in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no appropriate market practice exists, in such other manner as the Bank determines is reasonably necessary).

11. PAYMENTS AND DELIVERIES

11.1 Place

All payments and deliveries under these Terms and the Confirmation shall be made to the relevant Party to its relevant account at such office or bank or settlement system, as the case

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may be, as it may notify (in writing) to the other Party for this purpose.

11.2 Withholding

- (a) The Customer must make all payments to the Bank without deductions. If the Customer is required by law to deduct any amounts, it must pay the Bank such additional amounts so that the Bank receives the amount it would have received if no deduction had been required.
- (b) For any withholding or deduction required by law in relation to any payments by the Bank in respect of any CLI, the Bank is under no obligation to gross up any amounts payable and the Customer will only be entitled to the net amount after such withholding or deduction.

11.3 Funds

Payments under the CLI shall be made on the due date for value on that date in freely transferable funds and in the manner which the Bank may specify as being customary at the time for the settlement of transactions in the relevant currency.

11.4 Non-Business Days

If a payment or delivery is due on a day which is not a Business Day, the due date for that payment or delivery, then, if the Business Day Convention specified in the Confirmation is:

- (i) the Following Business Day Convention, such day shall be postponed to the next day which is a Business Day;
- (ii) the Modified Following Business Day Convention, such day 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 day shall be brought forward to the immediately preceding Business Day; or
- (iii) the Preceding Business Day Convention, such day shall be brought forward to the immediately preceding Business Day.

12. REPRESENTATIONS AND WARRANTIES

12.1 Representations and warranties

The Customer hereby makes the representations and warranties set out in this paragraph 12 for the benefit of the Bank which will be deemed repeated each time it agrees to place a CLI with the Bank and at all times until the maturity or termination of such CLI.

12.2 Status

- (a) It is a corporation, duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.

- (b) It has the power to own its assets and carry on its business as it is being conducted.

12.3 Powers and authority

It has the power to execute and deliver any Confirmation (which will incorporate the Terms) and other documentation relating to such CLI and to perform any obligations it has under such CLI and has taken all necessary action to authorize such execution, delivery and performance.

12.4 Legal validity

The CLI and Confirmation constitutes, or when executed in accordance with its terms will, subject to all insolvency and other laws affecting the rights of creditors generally and to general principles of equity, constitute, its legal, valid and binding obligation enforceable in accordance with its terms.

12.5 Compliance

The entry into and performance by it of, and the transactions contemplated by, the CLI is and will be in accordance with:

- (a) any law or regulation, judicial or official order or investment guideline, policy or restriction applicable to it; and
- (b) its constitutional documents.

12.6 Authorisation

All authorisations, including but not limited governmental and other approvals, required in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Confirmation (which will incorporate these Terms) have been obtained or effected (as appropriate) and are in full force and effect, and any conditions to any such authorisations or approvals have been complied with.

12.7 Absence of Certain Events

No default, event of default or other similar condition with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of it entering into or performing its obligations under the CLI and the Confirmation.

12.8 Absence of Litigation

There is not pending or, to its knowledge, threatened against it any action, suit or proceeding before any court, governmental body or agency that is likely to affect the legality or enforceability against it of the CLI and Confirmation or its ability to perform its obligations under the CLI and Confirmation.

12.9 Accuracy of Information

All information that is furnished by it or on its behalf to the Bank is, as of the date of the information, true, accurate and complete in every material respect and the Bank is entitled to rely on such

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information until the Bank has received written notice from it of any changes to such information.

12.10 Transacting as Principal

It is entering into each CLI as principal, and not as agent of, or in fiduciary capacity for, any person or entity.

13. UNDERTAKINGS

13.1 Duration

The undertakings in this paragraph 13 remain in force for so long as any amount is or may be outstanding under any CLI.

13.2 Notification of Event of Default

The Customer shall notify the Bank of any Event of Default pursuant to paragraphs 14.2, 14.4 and 14.5 (and the steps, if any, being taken to remedy it) promptly upon its occurrence.

13.3 Authorisations and No Encumbrance

The Customer undertakes to the Bank that:

- (a) it will use all reasonable efforts to maintain in full force and effect all authorisations of any governmental or other authority that are required to be obtained by it with respect to the CLI to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future; and
- (b) it will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under the CLI to which it is a party.
- (c) The Customer may not assign, transfer, charge, pledge or otherwise encumber the CLI (and the benefits) without the Bank's prior written consent except in favour of the Bank, as security for any obligation of the Customer to the Bank.

13.4 Furnish Specified Information

The Customer undertakes to deliver to the Bank or to any governmental or taxing authority any information or documents reasonably requested by the Bank (including information the Bank is required to provide under any agreement between the Bank and any government, quasi-government, administrative, regulatory or supervisory body or authority, court or tribunal with jurisdiction over the Bank).

13.5 Payment of Stamp Tax

The Customer will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of any CLI by a jurisdiction in which it is incorporated, organized, managed and controlled or considered to have its seat ("Stamp Tax

Jurisdiction"), and will indemnify the Bank against any Stamp Tax levied or imposed upon the Bank or in respect of the Bank's execution or performance of any CLI by such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the Bank.

13.6 Pari passu ranking

Each of the Bank and the Customer shall procure that its obligations under the CLI do and will rank at least pari passu with all its other present and future unsecured and unsubordinated obligations, except for obligations mandatorily preferred by law applying to companies generally.

14. EVENTS OF DEFAULT

14.1 Each of the events set out in paragraphs 14.2, 14.3, 14.4 and 14.5 is an Event of Default (whether or not caused by any reason whatsoever outside the control of the Bank or any other person).

14.2 Non-investment

The Customer fails to place an investment with the Bank following agreement on the terms proposed by the Bank. Without limiting the Bank's right under other provisions of the CLI, under such circumstances, the Customer will be liable for the Bank's costs and losses, including the cost of unwinding Hedging Arrangements.

14.3 Non-payment

The Bank does not pay on the due date any amount payable by it under the CLI at the place at and in the currency in which it is expressed to be payable and such failure continues for a period of five Business Days after notice to such effect has been given by the Customer to the Bank; provided, however, that any such event shall not constitute an Event of Default if (i) the Bank has given a Credit Event Notice, Physical Settlement Notice or Settlement Notice to the Customer (irrespective of whether any such event occurs before, at or after the giving of the Credit Event Notice) or (ii) the Bank, in its sole discretion, determines that a Potential Credit Event has occurred and notifies the Customer of such determination (irrespective of whether any such event occurs before, at or after the giving of such notice), except in each case if the Bank shall default in its obligations to comply with the provisions of paragraph 7.2.

14.4 Breach of other obligations

The Customer does not comply with any provision of the CLI (other than those referred to in paragraph 14.2 (*Non-investment*) and such failure (if capable of remedy) has not been cured within 60 days after it has received notice from the Bank requiring such remedy.

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14.5 Misrepresentation

A representation, warranty or statement made or repeated by the Customer in or in connection with the CLI is incorrect in any respect when made or deemed to be made or repeated and the event or circumstance leading to such inaccuracy has a material adverse effect and (if capable of remedy) has not been remedied within 60 days of the Customer receiving notice from the Bank requiring remedy.

14.6 Acceleration and enforcement

- (a) On and at any time after the occurrence of an Event of Default under paragraph 14.3 (*Non-payment*), which is continuing, the Customer may, by notice to the Bank, demand that all or part of the CLI, together with accrued interest accrued under the CLI be immediately due and payable at an amount determined by the Bank to be the fair market value of the CLI, subject to adjustment for any Hedging Costs.
- (b) On and at any time after the occurrence of an Event of Default under this paragraph other than paragraph 14.3 (*Non-payment*), which is continuing, the Bank may, by notice to the Customer, demand that all or part of the CLI to be immediately repayable at an amount determined by the Bank to be the fair market value of the CLI, subject to deduction of such amounts that may be claimed by the Bank under the CLI, including but not limited to the cost of unwinding a Hedging Arrangement.
- (c) The fair market value of the CLI shall be determined by the Bank by reference to all such relevant information it determines appropriate at the relevant time.

15. EXPENSES

Each Party shall bear the costs and expenses (including legal fees) incurred by itself in connection with the negotiation, preparation and execution of each Confirmation and in the performance of its obligations set out in this CLI.

16. WAIVERS AND REMEDIES CUMULATIVE

A failure or delay in exercising any right in respect of the CLI will not be presumed to operate as a waiver, and a single or partial exercise of any right will not be presumed to preclude any subsequent or further exercise of that right or the exercise of any other right. The rights of each of the Bank and the Customer under the CLI (A) may be exercised as often as necessary, (B) are cumulative and not exclusive of its rights under the applicable law and (C) may be waived only in writing and specifically. The Customer shall not unreasonably delay the exercise of its rights under the CLI.

17. TRANSFERS

- 17.1 Subject to paragraph 17.2, the Bank may assign, transfer, novate or dispose of any of, or any interest in, its rights and/or obligations under the CLI.
- 17.2 The Bank shall at any time have the right to transfer all of its rights and obligations hereunder from the office specified in the Confirmation to any other branch or subsidiary of the Bank provided always that such transfer shall have been approved by the Customer (which approval shall not be unreasonably withheld or delayed).

18. CONSENT TO DISCLOSURE

The Customer hereby consents to the communication and disclosure by the Bank of any information relating to these Terms, any transactions between the Bank and the Customer (whether or not such transactions form part of the CLI), and any accounts maintained by the Customer with the Bank, to:

- (a) the head office of the Bank, any of its subsidiaries or subsidiaries of its holding company, Affiliates, representative and branch offices (wherever situate);
- (b) any agent, contractor, third party provider or professional adviser (wherever situate) that is under a duty of confidentiality to the parties listed in sub-paragraph (a) above;
- (c) any actual or potential participant or sub-participant in relation to any of the Bank's rights and/or obligations under any CLI, or assignee, novatee or transferee (or any agent or advisor of any of the foregoing);
- (d) any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to any of the parties listed in sub-paragraph (a) above;
- (e) any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority with jurisdiction over any of the parties listed in sub-paragraph (a) above or as required by any law or regulation;
- (f) any officers, employees, directors or authorized persons of the parties listed in sub-paragraph (a) above; and
- (g) any parties with whom the Bank is in discussions with regarding a potential merger, takeover or other corporate consolidation.

19. SET-OFF

In addition to any rights of set off which exist as a matter of law, the Bank may, subject to applicable laws, set off any matured and liquidated debt obligation owed by it under the CLI (to the extent beneficially owned by the Customer) against any

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matured and liquidated debt obligation owed by the Customer to the Bank, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Any such set off shall not become effective until the Customer has received notice of the same.

20. SEVERABILITY

If a provision of the CLI is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect (A) the validity or enforceability in that jurisdiction of any other provision of the CLI, or (B) the validity or enforceability in other jurisdictions of that or any other provision of the CLI.

21. NOTICES

21.1 Giving of written notices

Unless otherwise stated, all notices or other communications under or in connection with these Terms or the CLI shall be given in writing and may be made by letter, facsimile, electronic messaging system or email to the relevant address, number or other contact details notified to the other party. Any such notice will be deemed to be given as follows:

- (a) if delivered in person or by a courier, on the date it is delivered or its delivery is attempted;
- (b) if sent by certified or registered mail or the equivalent (return receipt requested), on the date it is delivered or its delivery is attempted;
- (c) if sent by facsimile transmission, on the date a legible transmission report is generated by the sender's facsimile machine; or
- (d) if sent by electronic messaging system or email, on the date it is received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

21.2 Giving of oral notices

All oral notices under or in connection with these Terms or the CLI shall be subject to this paragraph 21.2. A notice given orally will be deemed to have been delivered at the time the conversation takes place. A notice delivered on or prior to 4:00 p.m. (in the city of the branch or office of the Bank through which the Bank enters into the relevant CLI) on a Business Day will be deemed given on such Business Day. A notice delivered after 4:00 p.m. (in the city of the branch or office of the Bank through which the Bank enters into the relevant CLI) on a Business Day will be deemed given on the next following Business Day. A written confirmation will be executed and delivered confirming

the substance of the oral notice within one Business Day. Failure to provide that written confirmation will not affect the effectiveness of that oral notice.

22. LANGUAGE

- (a) Any notice given under or in connection with these Terms or the CLI shall be in English.
- (b) All other documents provided under or in connection with these Terms or the CLI shall be:
 - (i) in English; or
 - (ii) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

23. CONSENT TO RECORDING

The Customer consents to the Bank or any Affiliate recording any conversations with it in connection with any (or any potential) CLI and to its production and use including the transcript, in any legal proceedings.

24. EXCLUSION OF THIRD PARTY RIGHTS

Unless expressly provided to the contrary in these Terms, a person who is not a party to these Terms has no right under any applicable third parties contract rights legislation or law to enforce or to enjoy the benefit of these Terms and the consent of any person who is not a party is not required to rescind or vary any provision of these Terms at any time.

25. GOVERNING LAW AND JURISDICTION

25.1 Governing law

These Terms and each CLI and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales.

25.2 Jurisdiction

The Parties:

- (a) submit to the non-exclusive jurisdiction of the English courts;
- (b) waive any objection that a venue is an inconvenient forum or that a court does not have any jurisdiction over the Parties; and
- (c) agree as permitted by applicable law, that the bringing of proceedings in any jurisdiction will not preclude the bringing of proceedings in any other jurisdiction.

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25.3 Waiver of Immunities

The Customer waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance or recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any proceedings.

26. REDEMPTION OR ADJUSTMENT FOR AN ADMINISTRATOR/BENCHMARK EVENT

26.1 Administrator/Benchmark Event

In the event that an Administrator/Benchmark Event occurs, the Bank may (at its option):

- (i) (A) make such adjustment to the terms of the CLI as it determines necessary or appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may (a) consist of one or more amendments and/or be made on one or more dates, (b) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance made in relation to any hedging arrangements in respect of the CLI and (c) include selecting a successor benchmark(s) and making related adjustments to the terms of the CLI including where applicable to reflect any increased costs of the Bank providing such exposure to the successor benchmark(s) or apply an adjustment cost which may be positive or negative and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks and (B) determine the effective date of that adjustment. Provided that the Bank has fully determined any adjustments and the related effective date pursuant to the above, the Bank shall give notice to the Customer stating the occurrence of the Administrator/Benchmark Event and giving details thereof and the action proposed to be taken in relation thereto; or
- (ii) if it determines that it is unable to achieve a commercially reasonable result with any such adjustment or that it is unable to make such adjustment, having given not less than 15 days' notice to the Customer, on expiry of such notice repay all, but not part only, of the CLI at an amount

determined by the Bank to be the fair market value of the CLI, subject to adjustment for any Hedging Costs.

For the avoidance of doubt, the above is additional to, and without prejudice, to any other terms of the CLI. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Bank shall determine which terms shall apply in its sole and absolute discretion.

26.2 Adjustments

Any adjustments to the terms of the CLI pursuant to paragraph 26.1(i) above (including the determination of any adjustment spread or factor, however defined) which the Bank determines are necessary or appropriate:

- (i) shall be made to the extent reasonably practicable and having regard to any Relevant Information, but also taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market);
- (ii) (may include, where applicable and without limitation, (I) technical, administrative or operational changes (including without limitation, changes to determination dates, timing and frequency of determining Benchmarks and making payments, rounding of amounts or tenors, the introduction of any time delay or lag between the calculation or observation period of a Benchmark and the related payment dates and other administrative matters) that the Bank decides are appropriate, (II) the application of any adjustment factor or adjustment spread (which may be positive or negative) and (III) adjustments to reflect any increased costs to the Bank of providing exposure to the replacement or successor Benchmark(s); and
- (iii) may be applied on more than one occasion, may be made as of one or more effective dates, may but does not have to involve the selection of a successor or replacement Benchmark which, unless the context otherwise requires or it is inappropriate, will be the relevant Benchmark in relation to the then current and all future determination days and which, in the case of a Benchmark which is an interest rate, may be, without limitation, (I) an interpolated rate, (II) a pre-nominated rate specified in the applicable Confirmation, (III) an index, benchmark, other price source or rate or fallback rate or methodology for calculating an index, benchmark, other price source, rate or fallback rate (which may be formally designated, nominated or recommended by (a) any Relevant Nominating Body, (b) the administrator or sponsor of the Benchmark or (c) ISDA or any other relevant trade association, working group, task-force

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or committee to replace the Benchmark which is recognized or acknowledged as being an industry standard replacement for over-the-counter derivative transactions which reference such Benchmark (which recognition or acknowledgement may be in the form of (a) a publication by the relevant trade association, working group, task-force or committee, or (b) a press release, a member announcement, member advice, letter, protocol, publication of standard terms or otherwise by ISDA), (IV) an index, benchmark, other price source, rate or fallback that the Bank determines to be a commercially reasonable alternative for the Benchmark, which, in any such case, may be determined on a backwards-looking compounding basis by reference to a "risk-free rate".

Notwithstanding the provisions of (and all provisions referred to in) this paragraph 26, the Bank is not obliged to make any adjustment or make any determination in relation to the terms of the CLI if the effective date(s) of the relevant adjustment or determination would fall after the earlier of (i) the date the affected Benchmark is no longer used for the purposes of the CLI and (ii) the maturity of the CLI.

26.3 Regulatory Obligations

If the Bank determines that:

- (i) it is or would be unlawful or prohibited under any applicable law or regulation to determine and calculate a replacement interest rate or make any other determination or adjustment in accordance with this paragraph 26 (or it would be unlawful were a determination to be made at that time); or
- (ii) it would contravene contravene any applicable licensing requirements to determine a replacement interest rate or make any other determination or adjustment in accordance with this paragraph 26 (or it would contravene those licensing requirements were a determination to be made at that time); or
- (iii) any adjustment spread (howsoever described) is or would be a benchmark index or other price source whose production, publication, methodology or governance would subject the Bank to material additional regulatory objections which it is unwilling to undertake,

then the Bank shall not be obliged to make the relevant determination or adjustment and may instead take any alternative action under the terms of the CLI as it determines appropriate.

Notwithstanding anything to the contrary in the provisions of this paragraph 26, the Bank may make all determinations and/or adjustments and take all actions in respect of the CLI as are

provided for in connection with an Administrator/Benchmark Event, notwithstanding that such Administrator/Benchmark Event may have occurred before the Effective Date of the CLI.

26.4 No duty to monitor

In relation to any relevant Benchmark and for the purposes of applying the provisions referred to in this paragraph 26, the Bank will not have any duty to monitor or enquire as to whether any relevant event or circumstance in respect of any such Benchmark has occurred to which such provisions might apply.

26.5 Additional Definitions

"Administrator/Benchmark Event" means the Bank determines that (1) a Benchmark Modification or Cessation Event has occurred or will occur or (2) any authorization, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case, with the effect that the Bank is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its obligations under the CLI or (3) it is not commercially reasonable to continue the use of a relevant Benchmark in connection with the CLI from the perspective of the Bank, or the Bank suffers or will suffer an increased costs as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Bank is required to hold a valid licence in order to enter into or perform its obligations in respect of the CLI and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence) or (4) there has been a public statement or publication of information by the administrator or sponsor of the relevant Benchmark, any national, regional or other supervisory or regulatory authority which is responsible for either (a) supervising the administrator or sponsor of the relevant Benchmark or (b) regulating the relevant Benchmark, the central bank for the currency of the Benchmark or another official body with applicable responsibility announcing that such Benchmark is no longer representative, or as of a specified future date will no longer be representative, of any underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored or (5) the relevant Benchmark is the subject of any market-wide development in the over-the-counter derivatives market (which may be in the form of a protocol, publication of standard terms or otherwise by ISDA) pursuant to which such Benchmark is or will be replaced with a replacement rate with respect to over-the-counter derivatives transactions which reference such Benchmark.

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"Benchmark" means, for the purposes of this paragraph 26, any figure, level, rate or value by reference to which any amount payable or deliverable under the CLI, or the value of the CLI, is determined in whole or in part (including, without limitation, any benchmark, as defined in the BMR), all as determined by the Bank.

"Benchmark Modification or Cessation Event" means, in respect of the Benchmark any of the following:

- (i) any material change in such Benchmark;
- (ii) the permanent or indefinite cancellation or cessation in the provision of such Benchmark where there is no successor administrator or provider that will continue to provide the Benchmark; or
- (iii) a regulator or other official sector entity prohibits the use of or it is otherwise not permitted to use such Benchmark in respect of the CLI or any related hedging arrangements in respect of the CLI which are derivative transactions referencing the relevant Benchmark.

"BMR" means the EU Benchmark Regulation (Regulation (EU) 2016/1011) or Regulation (EU) 2016/1011 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, in each case, as amended from time to time).

"Relevant Information" may but is not required to include, without limitation, one or more of the following:

- (i) quotations (either firm or indicative) supplied by one or more third parties or information sources;
- (ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (iii) information of the types described in (i) or (ii) above from internal sources (including any Affiliate of the Bank) or other information of a type used by the Bank in the regular course of its business or in connection with similar transactions.

"Relevant Nominating Body" means, in respect of a Benchmark: (i) the central bank for the currency in which the Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Benchmark or the administrator of the Benchmark; or (ii) any working group or committee officially endorsed or convened by (a) the central bank for the currency in which the Benchmark is denominated, (b) any central bank or other supervisor which is responsible for supervising either the Benchmark or the administrator of the Benchmark, (c) a group of those central

banks or other supervisors, or (d) the Financial Stability Board or any part thereof.

27. SUSPENSION OF TERMINATION RIGHTS

The Customer agrees that, where the Bank is Standard Chartered Bank (Hong Kong) Limited, in accordance with the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights—Banking Sector) Rules (Cap. 628C, laws of Hong Kong) made by the Hong Kong Monetary Authority under section 92 of the Financial Institutions (Resolution) Ordinance (Cap. 628, laws of Hong Kong) ("FIRO"), despite any other term or condition of these Terms or any other agreement, arrangement or understanding, the Customer will be bound by a suspension of a Termination Right (as defined in FIRO) in relation to these Terms imposed by the Resolution Authority (as defined in FIRO) under section 90(2) of FIRO.

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SCHEDULE 1

ACKNOWLEDGEMENT AND RISK DISCLOSURE STATEMENT

THIS CREDIT LINKED INVESTMENT IS NOT PRINCIPAL PROTECTED. THERE IS A RISK THAT THE CUSTOMER COULD LOSE PART OR ALL OF THE AMOUNT INVESTED.

Unless otherwise defined herein, capitalized terms used in this acknowledgement and risk disclosure statement shall have the same meaning as defined in the Terms.

For the avoidance of doubt, the Bank wishes to draw the Customer's attention to certain risks generally associated with the CLI. By entering into the CLI, the Customer represents, warrants and confirms that all the following statements with respect to it are true and correct on the date it enters into the CLI transaction and the Customer acknowledges that the Bank has relied on such confirmation and understanding in entering into the CLI.

- (a) It is acting for its own account and has made its own decisions to enter into each CLI (including assessing the risks involved and appropriateness of each CLI) based upon its own judgement and upon advice from such advisers as it has deemed necessary. It has itself been, and will at all times continue to be, solely responsible for making its own appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Bank, any Reference Entity and any Obligation.
- (b) It has sufficient knowledge, experience and professional advice to make its own legal, tax, accounting and financial evaluation of the merits and risks of investment in each CLI and has not relied, and will not at any time rely, on the Bank or any of its Affiliates to provide it with any information relating to, or to keep under review on its behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of any Reference Entity or conduct any investigation or due diligence with respect to any Reference Entity and any Obligation. It is understood that information and explanations related to the terms and conditions of any CLI transaction shall not be considered a recommendation or investment advice to enter into any CLI transaction and any communication (written or oral) received shall not be deemed to be an assurance or guarantee as to the expected results of this CLI transaction.
- (c) In connection with this CLI, neither the Bank nor any of its Affiliates has made, and is making, any representations whatsoever as to any Reference Entity and any Obligation or any information contained in any document filed by any Reference Entity with any exchange or with any governmental entity regulating the purchase and sale of securities.
- (d) It is entering into this CLI for either investment, hedging or other commercial purposes and is doing so as principal for its own account and not with a view to, or for resale in connection with, any distribution or any disposition thereof, and no other person

has or will have a direct or indirect beneficial interest in this CLI (other than by virtue of such person's direct or indirect beneficial interest in the Customer).

- (e) It acknowledges that terms of this CLI are binding upon it, irrespective of the existence or amount of the Bank's or any person's credit exposure to any Reference Entity, and the Bank need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event.
- (f) It acknowledges that each CLI is linked to (i) certain political, economic, legal and market conditions that could directly or indirectly affect investments in the external securities of any Reference Entity, (ii) the performance of one or more Obligations issued by any Reference Entity and (iii) the credit of any Reference Entity. There is a high degree of uncertainty and volatility associated with investments in or linked to emerging markets countries and a Reference Entity. The performance of each CLI will be directly affected by certain political, economic and legal conditions as a result of which the investment of the Customer in each outstanding CLI could be lost.
- (g) It acknowledges that following the declaration of a Credit Event, the value of the relevant CLI is linked to the value of the Auction Final Price (in the case of an Auction Settled CLI), the relevant Reference Obligation or Valuation Obligation (in the case of a Cash Settled CLI) or a Deliverable Obligation (in the case of a Physically Settled CLI) and, in lieu of making the full CLI repayment on the Maturity Date, the Bank may pay to the Customer the Auction Cash Settlement Amount, the Credit Event Amount, the Credit Event Redemption Amount or deliver the Asset Amount (as the case may be). In the case of a Linear Basket CLI, the Bank will account for each Credit Event in respect of a Reference Entity in the Reference Portfolio as it occurs and interest will then accrue on a decreased principal amount of the CLI. The Credit Event Redemption Amount payable at maturity, if any, will also be reduced and may be zero. It further acknowledges that the Credit Events replicate the risks that it would assume if it were to invest in any Reference Obligation or Valuation Obligation and include events relating to Reference Entity bankruptcy, obligation default, failure to pay, repudiation/moratorium and restructuring.
- (h) It understands there is no secondary market for the CLI and acknowledges that the CLI is intended to be held until its Maturity Date or the Deferred Maturity Date (if applicable). If the Bank allows the Customer to withdraw the CLI prior to the agreed Maturity Date or the Deferred Maturity Date (if applicable), the amount which the Customer is entitled to receive will likely be less and could be substantially less than the amount invested. Under certain circumstances, the Customer may even have to indemnify or reimburse the Bank in addition if the amount invested is insufficient for that purpose.
- (i) The premium or the interest on and/or the principal of a CLI may be determined by reference to the creditworthiness of, or the

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performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the Bank (such determining factor, a **"Reference Item"**).

- (j) An investment in CLI presents certain significant risks not associated with conventional investments or deposit, the principal risks of conventional investments being that the relevant bank will be unable to meet its obligations under the investment when due, the lack of an established trading market, and exchange rate and exchange control risks. CLI may present a high level of risk, and a Customer may lose its entire investment if it invests in CLI.
- (k) The treatment of CLI for income tax purposes may be unclear due to the absence of any authority specifically addressing the issues presented by the CLI. Accordingly, a Customer, or its tax adviser, should, in general, be capable of independently evaluating the income tax consequences of the investment in its particular circumstances.
- (l) The Bank and its affiliates may engage in investment or commercial banking and other dealings in the ordinary course of business with respect to the Reference Item or Reference Obligation, including, without limitation, arranging and managing the Reference Obligation, extending credit facilities from time to time to the Reference Entity or its subsidiaries and affiliates, and may receive fees and commissions for these transactions. In the ordinary course of its business, including without limitation in connection with its market-making activities, the Bank and/or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with CLI, the Bank and/or any of its Affiliates may enter into one or more Hedging Arrangements with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Bank and/or any of its Affiliates, the Bank and/or any of its Affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the CLI and which could be deemed to be adverse to the interests of the Customer. Upon the redemption of the CLI (other than on the Maturity Date), the Bank may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the Bank and/or any of its Affiliates. A Customer may receive an amount from the Bank in respect of such gain, or, as the case may be, be required to make a payment to the Bank in respect of such losses or costs. In this event, on redemption of the CLI, any amount that would otherwise be received by the Customer in the case of cash settlement of the CLI will be adjusted accordingly. Similarly, in the case of physical settlement of the CLI, the Customer may be required to make certain payments in respect of such losses and costs incurred by the Bank as a condition of the delivery of

any Asset Amount by the relevant issuer, or, as the case may be, the Customer may receive certain payments from the Bank with the delivery of any Asset Amount by the relevant issuer in respect of such gain to the Bank.

- (m) The Bank may engage in activities to hedge its exposure under the CLI. It may have profits or losses from these hedging activities. It is possible that it could achieve substantial profits from its hedging transactions while the value of the CLI may decline. The Customer will have no right to any such profit.
- (n) Force Majeure Events include, inter alia, events, including legal and regulatory changes, which make it impracticable, illegal or impossible to convert, remit abroad or determine a rate in respect of the relevant local or settlement currency relating to the CLI or for the Bank to perform or to hedge effectively its obligations under the CLI.
- (o) If the Bank determines that a Force Majeure Event has occurred, the Bank may suspend and/or terminate the CLI upon termination, if permitted by applicable law, pay the Customer an amount determined by the Bank to be its fair market value of the CLI (or part thereof) as at termination (which may be nil) and which in certain circumstances may be made in the Local Currency notwithstanding such Force Majeure Event less the cost to the Bank and/or its Affiliates of unwinding any Hedging Arrangements. It is possible that suspension could continue after the Maturity Date until the Bank exercises its right to terminate the CLI or until the date falling 10 days after such Force Majeure Event ceases to exist.
- (p) In the case of a Physically Settled CLI, if in the opinion of the Bank an event, as a result of which the Bank and/or any of its Affiliates has not received the relevant Deliverable Obligations (each a **"Hedge Disruption Obligation"**) under the terms of any hedging transactions in respect of the Physically Settled CLI (a **"Hedge Disruption Event"**), has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, then the Physical Settlement Date will be postponed until the earlier of (1) the second Business Day following the date on which no Hedge Disruption Event exists and (ii) the day falling 60 Business Days following the Scheduled Physical Settlement Day. Such an event may have an adverse effect on the value of the CLI. If all or a portion of the Deliverable Obligations included in the Asset Amount are Hedge Disruption Obligations that are not Delivered by the Physical Settlement Date, then the Bank has 30 calendar days after the Physical Settlement Date to delivery such Deliverable Obligations, after which the Bank may pay, in respect of each Hedge Disruption Obligation, the Partial Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if "Adjustment for Hedging Costs" is specified as applicable in the Confirmation) in lieu of delivering the Asset Amount. Such an event may have an adverse effect on the value of the CLI.

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- (q) Customers should be aware that (i) they may receive no or a limited amount of interest and (ii) the payment of the redemption amount or interest or delivery of any specified assets may occur at a different time than expected.
- (r) Where the CLI provides for physical delivery, the Bank may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Bank and/or any Affiliate and/or agent has not received under the terms of any transaction and/or trading position entered into by the Bank and/or such Affiliate and/or agent to hedge the Bank's obligations in respect of the CLI. Any such determination may delay settlement in respect of the CLI and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the CLI and, in the case of payment of a cash amount, will affect the timing of the valuation of such CLI and as a result, the amount payable on redemption.
- (s) In the case of Physical Delivery, where the Deliverable Obligation is a loan, in order for the Delivery of the loan (or an interest in the loan) to be effected, the Deliverable Obligation must be capable of being transferred to the Customer in accordance with its terms and the Customer must have the capacity to hold such loan (or loan interest).
- (t) Notwithstanding that a CLI is not issued as an Auction Settled CLI and may even be issued as a Physically Settled CLI, the Bank may, following a Credit Event, in its sole and absolute discretion and in certain circumstances, elect to determine the amounts payable by and/or rights and obligations of the parties under the CLI in respect of the relevant Reference Entity or Deliverable Obligation in accordance with Auction Settlement. Consequently, the CLI may be settled on terms that are different from those described in the conditions. Using an Auction could also affect the timing of settlement. Where settlement is determined in accordance with an Auction and this results in a lower recovery value than would have been realised if such Auction had not been used, this will lead to a higher loss of principal invested.
- (u) Where Auction Settlement is specified as being applicable in the Confirmation, or is elected to apply by the Bank as provided in the immediately preceding paragraph, and an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the Credit Derivative Auction Settlement Terms, available on ISDA's website at www.isda.org. Such auction procedure is subject to change at any time. Also, the Bank may have a conflict of interest to the extent that it participates in any Auction.
- (v) Customers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred and, where Auction Settlement is also specified as being applicable, which obligations are to be valued and whether an Auction should take place in accordance with and as more fully described in DC Rules, as amended from time to time and available on ISDA's website at www.isda.org (or any successor thereto). Consequently, where Auction Settlement is specified as being applicable in the Confirmation, the Customer will be bound by any such relevant decisions. Also, the Bank may have a conflict of interest to the extent that it participates in any Auction or other process used to determine the Credit Event in accordance with the DC Rules.
- (w) A Credit Event may be triggered if a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event or if a Credit Event Notice or a Notice of Publicly Available Information is delivered, within 60 calendar days of the occurrence of such Credit Event unless a Credit Event Determination Date has already occurred with respect to such event. For Succession Events the lookback period is 90 calendar days and functions similarly. These changes mean that there is a time limit on the ability to act on a Credit Event or Succession Event and that it is possible that the CLI could be affected by a Credit Event or Succession Event that took place prior to the Trade Date.
- (x) In certain circumstances, if following a Restructuring Credit Event a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Bank may elect, in its sole discretion, to exercise the Movement Option, by delivering an effective Notice to Exercise Movement Option to the Customer on or prior to the Movement Option Cut-off Date. If the Bank exercises such option, the Parallel Auction Settlement Terms shall apply for the purposes of determining the Auction Final Price. The Customer should be aware that they do not have the right to exercise the Movement Option and therefore if the Bank elects not to exercise the Movement Option, the CLI shall be redeemed in accordance with the Fallback Settlement Method.
- (y) The CLI may be subject to leverage. Where an investment is subject to leverage, the effective exposure to the underlying asset, index or instrument or payment reference is substantially increased. Leverage will expose Customers to increased and potentially significant losses where the value of the underlying asset, index or instrument decreases or moves against a Customer's position. As a result, the CLI is not suitable for all investors. Accordingly, potential investors should make their own independent assessment, in consultation with their advisers, as to whether an investment in the CLI and the potential effective exposure as a result of the leverage, is

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appropriate or suitable to potential investors in light of their financial condition, knowledge, risk profile and circumstances.

- (z) In the case of a Linear Basket CLI, the Linear Basket CLI may be subject to repayment in part as described above upon the occurrence of a Credit Event in relation to each Reference Entity in respect of which a Credit Event occurs. The credit risk to the Customer may further be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.
- (aa) In the case of a Linear Basket CLI, interest and principal repayments on the Linear Basket CLI may be calculated by reference to the outstanding principal amount of the Linear Basket CLI. As at the relevant Effective Date, the outstanding principal amount is an amount equal to the Principal Amount. If a Credit Event occurs in respect of a Reference Entity, then the outstanding principal amount will be reduced by an amount equal to a predefined portion of the Principal Amount irrespective of the actual market recovery in respect of such Reference Entity.
- (bb) In the case of a Fixed Recovery CLI, the amount payable following a Credit Event is determined by a set Final Price irrespective of the actual market recovery in respect of the relevant Reference Entity. Therefore, the Customer's exposure to the Reference Entity may exceed the exposure that it might incur in respect of having entered into a standard single name credit default swap as a protection seller in respect of such Reference Entity and the Customer may lose the entire principal amount invested.
- (cc) In the case of a Fixed Recovery CLI, it should be noted that the Fixed Recovery CLI will be redeemed 10 Business Days following the day on which the Bank first determines that a Credit Event Determination Date has occurred subject to the provisions in paragraph 7.2(m) (*Settlement Suspension*). If the Bank later determines that the Credit Event Determination Date should be adjusted or should not have occurred (for example, due to a DC Credit Event Announcement occurring) then no account will be taken of this and the Fixed Recovery CLI will in any case be repaid unless this subsequent determination is made prior to a cut-off date and subject to the provisions in paragraph 7.2(m) (*Settlement Suspension*). In this case the Fixed Recovery CLI will be repaid at a Credit Event Redemption Amount even where credit settlement might not occur on any market credit default swap.
- (dd) It should be noted that the Bank has the discretion to select a Reference Obligation and Valuation Obligations in certain circumstances. In this case, the Bank may select the lowest value obligations available. In addition, the Bank may select one or more Valuation Dates for the determination of the relevant Final Price in the case of Cash Settlement. This may result in lower returns, if any in respect of the CLI where a Credit Event

occurs and in the case of Cash Settlement, this may be significantly delayed to allow for all relevant Valuation Dates to occur.

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SCHEDULE 2

CREDIT LINKED ADDITIONAL TERMS

These Credit Linked Additional Terms relate to, and should be read in conjunction with, the Credit Linked Investment Terms above.

Unless otherwise defined in this Schedule, capitalized terms shall have the same meaning as defined in the Credit Linked Investment Terms above.

"2.5 year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"10 year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"Accrued Interest" means:

- (i) in respect of a CLI for which "Physical Settlement" is specified to be the Settlement Method in the applicable Confirmation (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with paragraph 7.2 (*Bank's rights upon Credit Event*)), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the applicable Confirmation, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Bank shall determine in its reasonable discretion);
- (ii) in respect of a CLI for which "Cash Settlement" is specified to be the applicable Settlement Method in the applicable Confirmation (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with paragraph 7.2 (*Bank's rights upon Credit Event*)), and:
 - (a) "Include Accrued Interest" is specified in the applicable Confirmation, the Outstanding Principal Balance of the Valuation Obligation shall include accrued but unpaid interest;
 - (b) "Exclude Accrued Interest" is specified in the applicable Confirmation, the Outstanding Principal Balance of the Valuation Obligation shall not include accrued but unpaid interest; or
 - (c) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Confirmation, the Bank shall determine, based on the then current market practice in the market of the Valuation Obligation whether the Outstanding Principal Balance of the Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
- (iii) if paragraph 7.2(i) (Partial Cash Settlement) applies, the Bank shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation (as applicable) or Undeliverable Loan Obligation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest.

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

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

"Asset Amount" means, in respect of a principal amount of a CLI equal to the Principal Amount, Deliverable Obligations selected by the Bank in its sole and absolute discretion, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money obligations, an Outstanding Principal Balance; or
- (b) in the case of Deliverable Obligations that are not Borrowed Money obligations, a Due and Payable Amount

(or, in each case, the equivalent Currency Amount of any such amount), in each case in an aggregate amount as of the relevant Delivery Date that is equal to the Principal Amount of the relevant CLI.

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

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

"Asset Package Credit Event" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Confirmation:
 - (i) a Governmental Intervention; or
 - (ii) a Restructuring in respect of a Valuation Obligation, if "Restructuring" is specified as applicable in the applicable Confirmation and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the applicable Confirmation, a Restructuring,

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

"Asset Transfer Notice" means a duly completed asset transfer notice substantially in the form prescribed by the Bank.

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"Auction" has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

"Auction Cancellation Date" has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

"Auction Cash Settlement Amount" means an amount calculated by the Bank equal to the product of (a) the Principal Amount of the relevant CLI and (b) the Auction Final Price, provided that in no event shall the Auction Cash Settlement Amount be less than zero.

"Auction Covered Transaction" has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

"Auction Final Price" means the price, if any, specified to be the relevant Auction Final Price as shall be set forth in the relevant Transaction Auction Settlement Terms (expressed as a percentage) or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-Off Date, the price, if any, specified to be the Auction Final Price determined in accordance with the applicable Parallel Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage).

"Auction Final Price Determination Date" has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

"Auction Settled CLI" means a CLI in respect of which "Auction Settlement" is specified as the applicable Settlement Method in the applicable Confirmation.

"Auction Settlement Date" means the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, ten (10) Business Days) immediately following the Auction Final Price Determination Date.

"Bankruptcy" means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;

- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) above (inclusive).

"Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places specified for that purpose in the applicable Confirmation.

"Cash Settled CLI" means a CLI in respect of which "Cash Settlement" is specified as the applicable Settlement Method in the applicable Confirmation or where Cash Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme.

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

"Conforming Reference Obligation" means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation below.

"Credit Derivatives Auction Settlement Terms" means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time.

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"Credit Derivatives Determinations Committee" means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

"Credit Event" means the occurrence of any one or more of the Credit Events specified in the applicable Confirmation which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention or any additional Credit Event specified in the applicable Confirmation.

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

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

"Credit Event Amount" means an amount calculated by the Bank in accordance with the following formula:

$RENA \times FP$

Where:

"RENA" is the Reference Entity Notional Amount in respect of the affected Reference Entity; and

"FP" is the Final Price (if a Fallback Settlement Method Event occurs and Cash Settlement is the Fallback Settlement Method or if the Settlement Method is Cash Settlement) or the Auction Final Price, as applicable in respect of the affected Reference Entity.

Expressed in words, this is the product of the Reference Entity Notional Amount in respect of the affected Reference Entity and the Final Price or the Auction Final Price, as applicable in respect of the affected Reference Entity.

"Credit Event Backstop Date" means (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is sixty (60) calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is sixty (60) calendar days prior to the earlier of (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Determination Date" means, with respect to a Credit Event with respect to which:

- (a) Auction Settlement is the applicable Settlement Method:
 - (i) subject to paragraph (a)(ii) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
 - (ii) notwithstanding paragraph (a)(i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
 - (A)
 - (1) the Credit Event is not an M(M)R Restructuring; and
 - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B)
 - (1) the Credit Event is an M(M)R Restructuring; and
 - (2) a Credit Event Notice is delivered and is effective on or prior to the Exercise Cut-off Date,

provided that the relevant CLI has not been redeemed on or prior to the date on which the DC Credit Event Meeting Announcement occurs and that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, or the Bank otherwise determines this is consistent with the Hedging Arrangements (if any), or

- (b) if paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date.

Provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Event Redemption Date or the Maturity Date as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

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If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Bank will determine (1) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid under the relevant CLI, (2) the date on which such adjustment payment is payable, if any, and (3) the party that is obliged to make such adjustment payment, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

Where First-to-Default is specified as applicable in the applicable Confirmation, a Credit Event Determination Date shall be deemed to occur with respect to the relevant CLI on the first occasion a Credit Event Determination Date occurs with respect to any Reference Entity (the "**First Reference Entity**"). Where First-to-Default is specified as applicable in the applicable Confirmation and a Credit Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Bank shall determine in its sole discretion the order in which such Credit Event Determination Dates occur.

"Credit Event Notice" means a notice from the Bank (which may be in writing (including by facsimile) and/or oral including by telephone) to the Customer (which the Bank has the right but not the obligation to deliver) that describes a Credit Event that occurred (i) on or after the Credit Event Backstop Date or if the applicable Confirmation specifies any determinations or resolutions made by the Credit Derivatives Determinations Committee and any terms or provisions relating thereto do not apply, the Trade Date and (ii) on or prior to the Extension Date. Any Credit Event Notice that describes a Credit Event that occurred after the Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"Credit Event Payment Date" means, in relation to any Credit Event Amount (i) the day falling the number of Business Days specified in the applicable Confirmation (or, if a number of Business Days is not so specified, ten (10) Business Days following the determination of the relevant Final Price or (ii) the day falling two Business Days after the related Auction Settlement Date for the relevant Reference Entity, as applicable.

"Credit Event Redemption Amount" means in respect of a CLI, the amount specified as such in the applicable Confirmation or if no such amount is specified, an amount equal to the product of the Final Price and the Principal Amount of such CLI, provided that in no event shall the Credit Event Redemption Amount be less than zero.

"Credit Event Redemption Date" means, subject to paragraph 7.2(m) (*Settlement Suspension*),

- (a) in the case of a CLI other than a Fixed Recovery CLI, the day falling the number of Business Days specified in the applicable Confirmation after the determination of the Final Price, or, if the

number of Business Days is not so specified, ten (10) Business Days, in each case in respect of the Reference Entity the occurrence of which results in the relevant CLI becoming due and payable; or

- (b) in the case of a Fixed Recovery CLI, the date that is 10 Business Days following the first day on which the Bank first determines that a Credit Event Determination Date has occurred subject as provided in the following sentence. If the Bank determines that on or prior to the third Business Day preceding the resulting Credit Event Redemption Date (such date, the "**Cut-Off Date**"), the Credit Event Determination Date should or potentially should be adjusted or should or potentially should not have occurred by reason of a DC Credit Event Announcement, a DC No Credit Event Announcement or a DC Credit Event Question Dismissal then it will cancel the then scheduled Credit Event Redemption Date and, if applicable, may designate a further Credit Event Redemption Date where any subsequent Credit Event Determination Date occurs and the provisions of this paragraph (b) will apply in full to any such subsequent Credit Event Determination Date. However no account will be taken of any relevant event or occurrence following such Cut-Off Date and such event or occurrence will be deemed not to have occurred.

For the avoidance of doubt, a Credit Event Redemption Date may fall on a date that is later than the Maturity Date.

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

"Currency Amount" means with respect to a Deliverable Obligation or Replacement Deliverable Obligation specified in a Physical Settlement Notice or Physical Settlement Amendment Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate.

"Currency Rate" means, with respect to (a) a Deliverable Obligation specified in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Bank, and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

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

"Day Count Fraction" means:

- (a) if "Actual/365", "Act/365", "Actual/Actual" or "Act/Act" is specified in the applicable Confirmation, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that

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Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (b) if "Actual/365 (Fixed)" or "Act/365 (Fixed)" is specified in the applicable Confirmation, the actual number of days in the Calculation Period divided by 365;
- (c) if "Actual/360" or "Act/360" is specified in the applicable Confirmation, the actual number of days in the Calculation Period divided by 360;
- (d) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Confirmation, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
- (e) such other convention as may be specified in the applicable Confirmation.

"DC Announcement Coverage Cut-off Date" means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen (14) calendar days following the No Auction Announcement Date, if any, as applicable.

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

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

"DC Credit Event Question" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

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

"DC Determination Cut-off Date" has the meaning given to that term in paragraph 7.2 (f) (*Credit Derivatives Determinations Committee Extension*).

"DC No Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

"DC Party" has the meaning given to that term in the DC Rules.

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

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

"DC Secretary" has the meaning given to that term in the DC Rules.

"Default Requirement" means the amount specified as such in the applicable Confirmation or its equivalent in the relevant Obligation Currency, or if a Default Requirement is not so specified, U.S.\$10,000,000 or its equivalent as calculated by the Bank in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"Deferred Interest Payment Date" has the meaning given to that term in paragraph 7.2(g) (*Deferral of Certain Dates*).

"Deferred Maturity Date" has the meaning given to that term in paragraph 7.2(g) (*Deferral of Certain Dates*).

"Deliver" means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Asset Amount to the Customer free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) in the definition of **"Credit Event"** above) or right of set-off by or of the Reference Entity or any Underlying Obligor); provided that (i) if all or a portion of the Asset Amount consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the Customer and (ii) to the extent that the Deliverable Obligations consist of a Guarantee, **"Deliver"** means to Deliver both the Guarantee and the Underlying Obligation, provided further that if the Guarantee has a Fixed Cap, **"Deliver"** means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

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

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Confirmation, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto. Where Asset Package Delivery applies, the provisions relating thereto in this definition of "Deliver" below shall apply and where appropriate the Bank may make any adjustment in relation to the provisions for physical delivery and determination of the Asset Amount to take account of the relevant Asset Package.

If Asset Package Delivery applies, (a) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (b) the preceding paragraph shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (c) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three (3) Business Days following the date on which the Bank has notified the Customer in accordance with paragraph 7.2(c) (*Physical Settlement*) of the detailed description of the Asset Package that it intends to Deliver, (d) the Bank may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (e) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term Asset Package shall be construed accordingly.

"Deliverable Obligation" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in (A) (Method for Determining Deliverable Obligations) below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the applicable Confirmation, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond, in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event); and
- (e) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Confirmation.

(A)

Method for Determining Deliverable Obligations. For the purpose of paragraph (a) of this definition of **"Deliverable Obligation"**, the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the applicable Confirmation, and, subject to (B) (Interpretation of Provisions) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Confirmation in each case as of each such date the Bank determines relevant in the context of the relevant CLI which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). The following terms shall have the following meanings:

- (1) **"Deliverable Obligation Category"** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below), except that, for the purpose of determining Deliverable Obligation, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).
- (2) **"Deliverable Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:
 - (i) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
 - (ii) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;
 - (iii) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Bank is capable of creating, or procuring the creation of, a contractual right in favour of the Customer that provides the Customer with recourse to the participation seller for a specified share in

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any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the Customer and either (A) the Bank (to the extent that the Bank is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

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

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

(v) **"Maximum Maturity"** means an obligation that has a remaining maturity of not greater than the period specified in the applicable Confirmation (or if no such period is specified, thirty (30) years);

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

(vii) **"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) **Interpretation of Provisions.** Unless expressly stated in the applicable Confirmation that this paragraph (B) is not applicable to a CLI;

(1) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the applicable Confirmation, the Confirmation shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Confirmation, the Confirmation shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan" or "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Confirmation, the Confirmation shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

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

(3) In the event that a Deliverable Obligation is a Relevant Guarantee, the following will apply:

(i) for the purposes of the application of the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;

(ii) for the purposes of the application of the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Deliverable Obligation Characteristics, if any, specified in the applicable Confirmation from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency", and "Not Domestic Law";

(iii) for the purposes of the application of the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Deliverable Obligation Characteristics, if any,

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specified in the applicable Confirmation from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured", and "Not Bearer".

- (iv) For the purposes of the application of the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (4) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (5) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Confirmation, if an obligation would otherwise satisfy a particular Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Deliverable Obligation Characteristic.
- (6) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in the paragraphs commencing "If 'Mod R' ..." and "If Mod Mod R" ..." in paragraph 7.2(c) (*Physical Settlement*) to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (7) If "Subordinated European Insurance Terms" is specified as applicable in the applicable Confirmation, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.
- (8) If "Provisions relating to 2020 Limited Recourse Additional Provisions" are specified as applicable in the applicable Confirmation and an obligation includes Limited Recourse Provisions, then for the purposes of determining whether such obligation is a Deliverable Obligation, such obligation is deemed to satisfy "Not Subordinated".

"Deliverable Obligation Provisions" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"Deliverable Obligation Terms" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"Delivery Date" means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of "Deliver" above).

"Delivery Expenses" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount, including, without limitation, any such costs, taxes, duties or expenses payable by the transferor and transferee of the Asset Amount.

"Designated Maturity" means, in respect of a CLI, a period of time specified as such in the relevant Confirmation.

"Dollar", "U.S. Dollar" or "U.S.\$" means the lawful currency for the time being of the United States of America.

"Domestic Currency" means the currency specified as such in the applicable Confirmation and any successor currency thereto or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign.

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

"Downstream Affiliate" means an entity at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are, at the date of the issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

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

"Effective Date" means the date specified in the Confirmation.

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

"Eligible Transferee" means:

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

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- (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in paragraph (c)(i) below); and
- (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in paragraph (a) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b) or (c)(ii) above or (d) below; and
- (d) any Sovereign; or
- (e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, the European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.\$ include equivalent amounts in other currencies in each case as determined by the Bank.

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

"Excluded Deliverable Obligation" means:

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

"Excluded Obligation" means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the applicable Confirmation;

- (b) if "Financial Reference Entity Terms" is specified as applicable in the applicable Confirmation and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Confirmation and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"Exercise Cut-off Date" means either:

- (a) with respect to an M(M)R Restructuring and any CLI to which paragraph (a) of the definition of Credit Event Determination Date above applies:
 - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five (5) Relevant City Business Days following the date on which such Final List is published; or
 - (ii) otherwise, the date that is fourteen (14) calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, the relevant Non-Standard Exercise Cut-off Date,

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

"Extension Date" means the latest of:

- (a) the Maturity Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in the applicable Confirmation, and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the applicable Confirmation,

as applicable.

"Failure to Pay" means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure, provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion

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existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

"Fallback Settlement Method" means the fallback settlement method specified (or deemed specified) in the applicable Confirmation.

"Fallback Settlement Method Event" means any one or more of the following:

- (a) an Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, a Parallel Auction Cancellation Date occurs;
- (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the Bank has not exercised the Movement Option);
- (c) a DC Credit Event Question Dismissal occurs; or
- (d) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of "Credit Event Determination Date" or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred in respect of the relevant Credit Event on or prior to the date falling three (3) Business Days after such Credit Event Determination Date.

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

"Final Price" means:

- (a) (i) if there is more than one Valuation Obligation, the weighted average of the prices of each such Valuation Obligation, each expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable; or
 - (ii) otherwise, the price of the Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable,
- in either case determined in accordance with the Valuation Method specified in the Confirmation, or, where applicable, paragraph 7.2(i) (*Partial Cash Settlement*); or
- (b) if Fixed Recovery is specified as applicable in the applicable Confirmation, the percentage specified as such in the applicable Confirmation (and, for the avoidance of doubt, no Valuation Date will arise for these purposes).

Notwithstanding the foregoing in paragraph (a) above and anything to the contrary herein (including, without limitation, that the Settlement Method is not Physical Settlement), if Asset Package Delivery is applicable and the Valuation Obligation is a Prior Deliverable Obligation or a Package Observable Bond, (i) all constituent parts of the related Asset Package may be treated as Valuation Obligation(s) in lieu of such Prior Deliverable Obligation or Package Observable Bond, and such Asset Package

constituents shall be treated as having the same currency, aggregate Outstanding Principal Balance or aggregate Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which the Asset Package corresponds had immediately prior to the Asset Package Credit Event, (ii) if any such Asset Package constituent is zero, its price shall be deemed to be zero per cent. on the relevant Valuation Date(s) and (iii) if the Bank determines that a price cannot reasonably be determined in accordance with the Valuation Method, then the price of the Asset Package constituents will be calculated by the Bank, if applicable by reference to an appropriate specialist valuation, as equal to the fair market value of the Asset Package constituent, expressed as a percentage of the relevant portion of the Outstanding Principal Balance or Due and Payable Amount, as applicable. In each case, the Final Price may not exceed 100 per cent and the Asset Package constituents may have different Valuation Dates.

"First Reference Entity" has the meaning given in the definition of Credit Event Determination Date.

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

"Fixed Recovery CLI" means a CLI for which Fixed Recovery is specified in the applicable Confirmation.

"Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

"Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Bank determines relevant in the context of the CLI, which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

"Further Subordinated Obligation" means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

"Governmental Authority" means:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;

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- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

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

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

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

"Grace Period" means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applicable in the applicable Confirmation, a Potential Failure to Pay has occurred on or prior to the Maturity Date or relevant Interest Payment Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date or relevant Interest Payment Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the applicable Confirmation or, if no period is specified in the applicable Confirmation, thirty (30) calendar days; and

- (c) if, as of the date on which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three (3) Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three (3) Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless "Grace Period Extension" is specified as applying in the applicable Confirmation, such deemed Grace Period shall expire no later than the Maturity Date or relevant Interest Payment Date.

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

"Grace Period Extension Date" means, if:

- (a) "Grace Period Extension" is specified as applicable in the applicable Confirmation; and
- (b) a Potential Failure to Pay occurs on or prior to the Maturity Date or relevant Interest Payment Date,

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the applicable Confirmation, Grace Period Extension shall not apply.

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

"Hedge Disruption Event" means in the determination of the Bank any event (including, without limitation, any delay in the settlement of an Auction) as a result of which the Bank and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of the relevant Hedging Arrangements (if any).

"Hedge Disruption Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Bank determines cannot be Delivered as a result of a Hedge Disruption Event.

"Hedging Arrangements" means any underlying or related transaction(s), asset(s) or arrangements (which may include, without limitation, deposits and/or other funding arrangements and hedges in respect of any such funding arrangement) the Bank and/or any of its Affiliates may enter into or hold from time to time directly or indirectly in connection with incurring and performing its obligations with respect to the relevant CLI.

"Hedging Costs" means, notwithstanding any provisions of the CLI, in respect of the Early Redemption Amount, Redemption Amount, Auction Cash Settlement Amount, Partial Cash Settlement Amount, Credit Event Redemption Amount, Credit Event Amount or any other amount specified in the applicable Confirmation to be subject to adjustment for Hedging Costs (each a "Relevant Redemption Amount") or the Asset Amount, as the case may be (a) the Bank's losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption

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Amount will be adjusted downward to the extent of such losses, expenses and costs or the Asset Amount may be reduced as provided in paragraph 7.2(c) (*Physical Settlement*) of these Terms), , provided that the Relevant Redemption Amount shall not be less than zero or (b) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain or, as the case may be, a payment will be made by the Bank to the Customer to the extent of such gain in respect of the Asset Amount), as the case may be, to the Bank and/or any Affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing, settling or re-establishing any underlying and/or related hedging and funding arrangements (including but not limited to any options, currency and derivative trades or selling or otherwise realising any instruments of any type whatsoever which the Bank and/or any of its Affiliates may hold as part of such Hedging Arrangements), all as calculated by the Bank in its sole and absolute discretion.

"**HIBOR**" means:

- (a) the rate per annum which appears on Bloomberg HIBO screen page; or
- (b) if no such rate appears on the Bloomberg HIBO screen page, the rate as determined by the Bank in its sole and absolute discretion,

at or about 11.00 a.m. (Hong Kong time) on the applicable Rate Fixing Date for the offering of Hong Kong Dollar deposits for a period of the Designated Maturity provided that, in respect of any Calculation Period which is longer or shorter than the Designated Maturity, the relevant rate shall be determined by linear interpolation by reference to two HIBOR rates, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of such Calculation Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of such Calculation Period.

"**Interest Payment Date**" means, in respect of a CLI the date(s) specified as such in the applicable Confirmation.

"**Intervening Period**" means such period of time as any person other than the Customer shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

"**ISDA**" means the International Swaps and Derivatives Association, Inc.

"**ISDA Definitions**" means (i) if "2006 ISDA Definitions" is specified in the applicable Confirmation, the 2006 ISDA Definitions published by ISDA, as amended or supplemented as at the Trade Date of the CLI (the "**2006 Definitions**"), or (ii) if "2021 ISDA Definitions" is specified in the applicable Confirmation, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA as at the Trade Date of the CLI (the "**2021 Definitions**"), provided in each case that if and to the extent the Bank determines this is appropriate by reference to the hedging arrangements for the relevant CLI, ISDA Definitions will mean any successor definitional booklet to or version of the 2006 Definitions or 2021 Definitions as applicable, each as supplemented from time to time for interest rate derivatives, all as determined as of the date of the relevant determination under the Terms and the Bank may make such conforming changes to the Terms as are necessary or appropriate to reflect the terms of the relevant successor definitional booklet or version.

"**Largest Asset Package**" means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package

of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Bank by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realisable value, determined by the Bank in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

"**Latest Maturity Restructured Bond or Loan**" has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

"**Limitation Date**" means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "2.5-year Limitation Date"), 5 years, 7.5 years, 10 years (the "10-year Limitation Date"), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention, unless the applicable Confirmation specifies otherwise.

"**Liquidated Value**" means, with respect to a Deliverable Obligation and a Delivery Date, the proceeds that might be realised by the Bank (net of any realisation costs) in respect of the sale of such Deliverable Obligation as of the Delivery Date on the basis of the following:

- (a) if more than one Full Quotation (for which purpose any reference to "Reference Obligation" in the definition thereof shall be deemed to be a reference to "Deliverable Obligation") are obtained, the highest of such Full Quotations;
- (b) if only one Full Quotation is obtained, such Full Quotation;
- (c) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (d) if neither a Full Quotation nor a Weighted Average Quotation is obtained, subject to where the Quotation is deemed to be zero, an amount as determined by the Bank on the next Business Day on which at least one Full Quotation or a Weighted Average Quotation is obtained; or
- (e) if the Quotations are deemed to be zero, the Liquidated Value shall be determined by the Bank as the realisable value, if any, of the relevant Deliverable Obligation as of the Delivery Date.

"**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open in London.

"**Margin**" means, in respect of the CLI, the percentage specified as such in the relevant Confirmation.

"**Market Value**" means, with respect to a Valuation Obligation, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotation has the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

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- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotation has the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Bank shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Maturity Date" means, in respect of the CLI, the date specified as such in the relevant Confirmation.

"Minimum Quotation Amount" means the amount specified as such in the applicable Confirmation (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

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

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

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

"Movement Option" means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Bank to apply to the CLI, for purposes of Settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference Transaction (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). The Bank shall be deemed to have exercised such option if the Bank delivers an effective Notice to Exercise Movement Option to the Customer on or prior to the Movement Option Cut-off Date. If the Bank does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

"Movement Option Cut-off Date" means the date that is one (1) Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

"Next Currency Fixing Time" means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Physical Settlement Notice or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective.

"No Auction Announcement Date" means, with respect to a Credit Event, the date on which the DC Secretary first publicly announces that:

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

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

"Non-Conforming Substitute Reference Obligation" means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

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

"Non-Standard Credit Event Determination Date" means with respect to a Credit Event:

- (a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
 - (i) the Credit Event Resolution Request Date, if either:

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(A)

- (1) "Auction Settlement" is not the applicable Settlement Method;
- (2) the relevant Credit Event is not an M(M)R Restructuring; and
- (3) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or

(B)

- (1) the relevant Credit Event is an M(M)R Restructuring; and
- (2) a Credit Event Notice is delivered to the Customer and is effective on or prior to the Non-Standard Exercise Cut-off Date; or

- (ii) the first date on which a Credit Event Notice is delivered and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen (14) calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

(A)

- (1) "Auction Settlement" is not the applicable Settlement Method;
- (2) the relevant Credit Event is not an M(M)R Restructuring; and
- (3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or

(B)

- the Bank determines this is otherwise consistent with the Hedging Arrangements (if any),

- (c) if the applicable Confirmation specifies any references to any determinations or resolutions made by the Credit Derivatives Determinations Committee and any terms or provisions relating thereto do not apply, the first date on which an effective Credit Event Notice has been delivered by the Bank during the Notice Delivery Period,

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or the Bank determines this is otherwise consistent with the Hedging Arrangements (if any).

"Non-Standard Exercise Cut-off Date" means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) if such Credit Event is not an M(M)R Restructuring, either:

- (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
- (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
- (iii) the date that is fourteen (14) calendar days following the No Auction Announcement Date, if any,

as applicable; or

- (b) if such Credit Event is an M(M)R Restructuring and:

- (i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five (5) Relevant City Business Days following the date on which such Final List is published; or
- (ii) otherwise, the date that is fourteen (14) calendar days following the relevant No Auction Announcement Date.

"Non-Standard Reference Obligation" means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

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

"Notice Delivery Date" means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Confirmation, an effective Notice of Publicly Available Information, have been delivered by the Bank.

"Notice Delivery Period" means the period from and including the Trade Date to and including the date that is twenty-one (21) calendar days after the Extension Date.

"Notice to Exercise Movement Option" means, in relation to an Auction Settled CLI for which (a) an M(M)R Restructuring is applicable and (b) the Fallback Settlement Method would otherwise be applicable pursuant to paragraph (b) of the definition of "Fallback Settlement Method Event", a notice from the Bank to the Customer that (i) specifies the Parallel Auction Settlement Terms applicable with respect to such Auction Settled CLI in accordance with the definition of "Movement Option" and (ii) is effective on or prior to the Movement Option Cut-off Date.

"Notice of Publicly Available Information" means a notice (which may be in writing (including by facsimile) and/or oral including by telephone) from the Bank to the Customer (which the Bank has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is not given, the Credit Event Notice or Repudiation/Moratorium Extension Notice shall be deemed to be the notice for the purposes of this definition.

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Available Information" is specified as applying in the applicable Confirmation and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in paragraph 21 (Notices).

"**Obligation**" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in (A) Method for Determining Obligations below; and
- (b) the Reference Obligation;

in each case unless it is an Excluded Obligation; and

- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Confirmation.

(A) **Method for Determining Obligations.** For the purpose of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified in the applicable Confirmation, and having each of the Obligation Characteristics (if any) specified in the applicable Confirmation, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (1) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Confirmation, where:
 - (i) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (ii) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (iii) "**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
 - (iv) "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or

represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

- (v) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
- (vi) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.

(2) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Confirmation, where:

- (i) "**Not Subordinated**" means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
- (ii) "**Subordination**" means, with respect to an obligation (the "**Second Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior

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Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date;

- (iii) **"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation applicable to the CLI, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Confirmation as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (iv) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the applicable Confirmation (or, if "Specified Currency" is specified in the applicable Confirmation and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (v) **"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (vi) **"Not Domestic Currency"** means any obligation that is payable in any currency other than the applicable Domestic Currency provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (vii) **"Not Domestic Law"** means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (viii) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (ix) **"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference

Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

(B) Interpretation of Provisions.

- (1) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the applicable Confirmation, the applicable Confirmation shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (2) In the event that an Obligation is a Relevant Guarantee, the following will apply:
 - (i) for the purposes of the application of the Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
 - (ii) for the purposes of the application of the Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the applicable Confirmation from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
 - (iii) for the purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the applicable Confirmation from the following list: "Listed", and "Not Domestic Issuance"; and
 - (iv) for the purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (3) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Confirmation, and if an obligation would otherwise satisfy a particular Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such

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obligation to fail to satisfy such Obligation Characteristic.

- (4) If "Provisions relating to 2020 Limited Recourse Additional Provisions" are specified as applicable in the applicable Confirmation and an obligation includes Limited Recourse Provisions, then for the purposes of determining whether such obligation is an Obligation, such obligation is deemed to satisfy "Not Subordinated".

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

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

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

"Original Non-Standard Reference Obligation" means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the applicable Confirmation (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant CLI (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless the relevant CLI is a Reference Obligation Only CLI.

"Outstanding Amount" has the meaning given in paragraph 7.2(c) (*Physical Settlement*).

"Outstanding Principal Balance" means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an

event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "Non-Contingent Amount"); and

- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

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

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

"Parallel Auction" means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Cancellation Date" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Bank may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

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

"Party" means a party to the Terms and **"Parties"** shall be construed accordingly.

"Payment Requirement" means the amount specified as such in the applicable Confirmation or its equivalent in the relevant Obligation Currency, if no such amount is so specified, U.S.\$1,000,000 or its equivalent, as calculated by the Bank in the relevant Obligation Currency in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable as calculated by the Bank.

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

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

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation;
 - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
 - (iv) if "Subordinated European Insurance Terms" are specified as applicable in the applicable Confirmation, any Solvency Capital Provisions;
 - (v) if "Provisions relating to 2020 Limited Recourse Additional Provisions" are specified as applicable in the applicable Confirmation, provisions that (A) limit recourse in respect of the obligation to the proceeds of specified assets or the proceeds resulting from the enforcement of security or collateral arrangements and/or (B) extinguish any obligation that remains outstanding following the disposal of specified assets and/or the enforcement of the security or collateral arrangements and in each case the application of the resulting proceeds (any such provisions, **"Limited Recourse Provisions"**); or
 - (vi) if "Financial Reference Entity Terms" are specified as applicable in the applicable Confirmation, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

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

"Physical Settlement Date" means the last day of the longest Physical Settlement Period following the PSN Cut-Off Date (the **"Scheduled Physical Settlement Date"**), provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement

Date shall be the earlier of (a) the second Business Day following the date on which no Hedge Disruption Event exists and (b) the day falling sixty (60) Business Days following the Scheduled Physical Settlement Date.

"Physical Settlement Amendment Notice" means a notice by the Bank to the Customer containing such information as required pursuant to paragraph 7.2(c) (*Physical Settlement*).

"Physical Settlement Notice" means a notice from the Bank to the Customer containing such information as required pursuant to paragraph 7.2(c) (*Physical Settlement*).

"Physical Settlement Period" means, subject to paragraph 7.2(m) (*Settlement Suspension*), the number of Business Days specified as such in the applicable Confirmation or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Physical Settlement Notice or the Physical Settlement Amendment Notice, as applicable, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Bank provided that if the Bank has notified the Customer in accordance with paragraph 7.2 (i) (*Partial Cash Settlement*) that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be thirty-five (35) Business Days.

"Physically Settled CLI" means a CLI in respect of which "Physical Settlement" is specified as the applicable Settlement Method in the applicable Confirmation or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

"Post Dismissal Additional Period" means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is twenty-one (21) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

"Potential Credit Event" means:

- (a) a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity);
- (b) a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity); or
- (c) if a notice is delivered to the DC Secretary as referred to in the definition of DC Credit Event Question and the relevant Credit Derivatives Determinations Committee has not made its determination.

A Credit Derivatives Determinations Committee, the Bank may determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

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

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

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"Principal Amount" means, in respect of the CLI, the amount specified as such in the relevant Confirmation.

"Prior Deliverable Obligation" means:

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

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

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

"PSN Cut-off Date" means subject, where applicable, to paragraph 7.2(m) (*Settlement Suspension*):

- (a) subject to paragraph (b) below, the later of:
 - (i) the thirtieth calendar day after the Credit Event Determination Date; and
 - (ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or
- (b) if, in accordance with the terms of paragraph 7 (*Redemption*), paragraph 7.2(c) (*Physical Settlement*) applies as a result of the occurrence of (a) an Auction Cancellation Date or (b) a No Auction Announcement Date and, in circumstances where such No Auction Announcement Date occurs pursuant to section (b) or (c)(ii) of the definition of No Auction Announcement Date, the Bank has not exercised the Movement Option and:
 - (i) the relevant Credit Event is not an M(M)R Restructuring, the later of:
 - (A) the date determined pursuant to paragraph (a)(i) above; and
 - (B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, occurring pursuant to

paragraphs (a) or (c)(i) of the definition of No Auction Announcement Date above, as applicable; or

- (ii) the relevant Credit Event is an M(M)R Restructuring either:

(A) the later of:

- (1) the date determined pursuant to paragraph (a)(i) above; and
- (2) the thirtieth calendar day after:

(x) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date above, if any;

(y) a No Auction Announcement Date occurring pursuant to paragraph (c)(i) of the definition of No Auction Announcement Date above, if any; or

(z) the Auction Cancellation Date, if any, as applicable; or

(B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one Parallel Notice of Physical Settlement Date should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

- (1) a No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date above and the Bank has not exercised the Movement Option; or
- (2) a No Auction Announcement Date occurs pursuant to paragraph (c)(ii) of the definition of No Auction Announcement Date above and the Bank has not exercised the Movement Option,

provided that in the case of paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request

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Date, if any, occurred on or prior to the date described in paragraph (a)(i) above.

"PSN Effective Date" means the date on which an effective Physical Settlement Notice or Physical Settlement Amendment Notice, as the case may be, is delivered to the Customer.

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

"Publicly Available Information" means:

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

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

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

- (b) Publicly Available Information need not state (i) in relation to the determination of any Downstream Affiliate, the percentage of Voting Shares owned, by the Reference Entity and (ii) that the relevant occurrence:

- (i) has met the Payment Requirement or Default Requirement;
- (ii) is the result of exceeding any applicable Grace Period; or
- (iii) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

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

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

A Qualifying Guarantee shall not include any guarantee:

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

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

In order for a guarantee to constitute a Qualifying Guarantee:

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

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in the applicable Confirmation. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"Quantum of the Claim" means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

"Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

The Bank shall attempt to obtain Full Quotations with respect to each Valuation Date from five (5) or more Quotation Dealers. If the Bank is unable to obtain two or more such Full Quotations on the same Business Day within three (3) Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Bank shall attempt to obtain Full Quotations from five (5) or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Bank is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be zero.

"Quotation Amount" means the amount specified as such in the applicable Confirmation (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is

specified in the applicable Confirmation, the outstanding principal amount of the relevant CLI (where paragraph (a) of the definition of "Valuation Obligation" applies) or the amount specified in the Valuation Obligation Notification (where paragraph (b) of the definition of "Valuation Obligation" applies) (or, in any such case, its equivalent in the relevant Obligation Currency converted by the Bank in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

"Quotation Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Confirmation. If no Quotation Dealer(s) is (or are) specified in the applicable Confirmation, the Bank shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Bank may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

"Quotation Method" means the applicable Quotation Method specified in the applicable Confirmation by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Confirmation, Bid shall apply.

"Rate Fixing Date" means, in respect of a CLI (a) where the Reference Rate is HIBOR, the first day of the relevant Calculation Period for such CLI, and (b) where the Reference Rate is not HIBOR, the second London Business Day before the first day of the relevant Calculation Period for such CLI.

"Redemption Amount" means, in respect of the CLI, the Redemption Amount specified in, or determined in the manner specified in, the relevant Confirmation.

"Reference Entity" means the entity specified as such in the applicable Confirmation and any Successor. Any Successor to the Reference Entity either (a) identified pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant CLI and the Bank shall make such amendments and/or adjustments to the terms of the CLI as it determines appropriate to reflect this, including as set out under the definition of "Successor".

"Reference Entity Notional Amount" means the notional amount in respect of each Reference Entity as specified in the applicable Confirmation.

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

- (a) "Standard Reference Obligation" is specified as not applicable in the applicable Confirmation, in which case the Reference

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Obligation will be the Non-Standard Reference Obligation, if any; or

- (b) (i) "Standard Reference Obligation" is specified as applicable in the applicable Confirmation (or no election is specified in the Confirmation), (ii) as of the Trade Date, there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Confirmation, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List (an **"SRO Removal Event"**) or the Standard Reference Obligation published would not have been eligible to be selected as a Substitute Reference Obligation, such obligation shall not be the Reference Obligation and, unless and until a new Standard Reference Obligation which is so eligible is published, the Reference Obligation shall be any Deliverable Obligation selected by the Bank from time to time with the same level of seniority as the relevant Seniority Level (which, for the avoidance of doubt, may be the lowest value Deliverable Obligation available at the relevant time). If an SRO Removal Event has occurred or the Standard Reference Obligation published would not have been eligible to be selected as a Substitute Reference Obligation and the Bank determines that no such Deliverable Obligation is available, then notwithstanding the fact that the Standard Reference Obligation may have ceased to be the Reference Obligation, the Bank may attempt to identify a Deliverable Obligation to be the Reference Obligation. The provisions of this definition may be applied by the Bank on more than one occasion and are without prejudice to the right of the Bank to determine a Substitute Reference Obligation.

"Reference Obligation Only CLI" means any CLI in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category in the applicable Confirmation and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Confirmation.

"Reference Transaction" means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Category and Deliverable Obligation Characteristics are (i) the same as in respect of the relevant CLI (if such Deliverable Obligation Category and Deliverable Obligation Characteristics are specified in the applicable Confirmation) or (ii) if and to the extent the Deliverable Obligation Category and Deliverable Obligation Characteristics are not specified, the Deliverable Obligation Category and Deliverable Obligation Characteristics determined by the Bank to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (b) with a scheduled termination date matching the Maturity Date of the relevant CLI; and
- (c) otherwise having such other and/or different characteristics as the Bank may determine appropriate by reference to, without limitation, the Hedging Arrangements (if any) and/or any credit derivative elections made in relation to the relevant CLI.

"Relevant City Business Day" has the meaning given to that term in the DC Rules.

"Relevant Final Amount" means:

- (a) in respect of a CLI other than a Linear Basket CLI, the Redemption Amount; or
- (b) in respect of a Linear Basket CLI, the Redemption Amount or if any Credit Event Determination Date has occurred in respect of any Reference Entity, the Adjusted Credit Outstanding Principal Amount on the due date for repayment.

"Relevant Guarantee" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Confirmation, a Qualifying Guarantee.

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

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

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Bank shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Confirmation and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (d) if "Financial Reference Entity Terms" is specified as applicable in the applicable Confirmation, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

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"Replacement Deliverable Obligation" has the meaning given to that term in paragraph 7.2(c) (*Physical Settlement*).

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Bank.

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

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

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date or relevant Interest Payment Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition" is satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is twenty-one (21) calendar days after the Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Maturity Date; or
- (b) otherwise, by the delivery by the Bank to the Customer of a Repudiation/Moratorium Extension Notice and unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Confirmation, a Notice of Publicly Available Information by the Bank to the Customer that are each effective on or prior to the date that is twenty-one (21) calendar days after the Maturity Date,

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

"Repudiation/Moratorium Extension Notice" means a notice (which may be in writing (including by facsimile) and/or oral including by telephone) from the Bank to the Customer (which the Bank has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Maturity Date). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

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

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

"Restructuring" means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation, or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to

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any of the aforementioned currencies (which, in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (A) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (D) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and paragraph 7.2(k) (*Provisions relating to Multiple Holder Obligation*), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring (other than in paragraphs (A) to (D) of this definition of Restructuring) and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (A) to (D) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

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

"Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Bank.

"Seniority Level" means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the applicable Confirmation, or
- (b) if no such seniority level is specified in the applicable Confirmation, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which;
- (c) "Senior Level".

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

"Settlement Currency" means the currency as specified as such in the applicable Confirmation, or if no currency is specified in the applicable Confirmation, the currency in which the Principal Amount of the relevant CLI is denominated.

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

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

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"Sovereign Restructured Deliverable Obligation" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of "Deliverable Obligation" above, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

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

"Specified Number" means the number of Public Source(s) specified in the applicable Confirmation, or if no such number is specified in the applicable Confirmation, two.

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

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

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

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

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

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Bank as follows:

- (a) The Bank shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Bank will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraph (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation

Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraph (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.

(c) The Substitute Reference Obligation shall be an obligation that, on the Substitution Date:

- (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
- (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
- (iii)
 - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (1) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available;
 - (2) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available;
 - (2) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available;

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- (3) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available;
- (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or
- (c) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available;
 - (2) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available;
 - (3) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available;
 - (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Bank under the CLI as determined by the Bank. The Bank will notify the Customer in accordance with the terms of the CLI of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Bank determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Bank shall continue to attempt to identify the Substitute Reference Obligation.
- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any CLI that is a Reference Obligation Only CLI.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Bank notifies the Customer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

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

- (a) the Non-Standard Reference Obligation is redeemed in whole; or
- (b) provided that the CLI to which the Non-Standard Reference Obligation relates is not a Reference Obligation Only CLI:
 - (i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Bank); or
 - (ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

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

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

"Successor" means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
 - (i) subject to paragraph (vii), if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
 - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than

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25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;

- (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor, and the Bank shall adjust such terms of the relevant CLI and/or the provisions of the applicable Confirmation as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
- (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor, and the Bank shall adjust such terms of the relevant CLI and/or the provisions of the applicable Confirmation as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations each such entity will be a Successor and the Bank shall adjust such terms of the relevant CLI and/or the provisions of the applicable Confirmation as it in its sole and absolute discretion acting in a commercially reasonable manner shall

determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment); and

- (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist; or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the Universal Successor) will be the sole Successor; and
- (b) an entity may only be a Successor if:
 - (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
 - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
 - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Bank will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, provided that the Bank will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Bank will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information or any DC Secretary announcement or publication or other information the Bank determines appropriate and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by the Customer at the specified office of the branch or office where the CLI is placed. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Bank shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

If two or more entities (each, a **"Joint Potential Successor"**) jointly succeed to a Relevant Obligation (the **"Joint Relevant Obligation"**) either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated

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as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of **"Successor"**, **"succeed"** means, with respect to the Reference Entity and its Relevant Obligations that an entity other than the Reference Entity (1) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (2) issues Bonds or incurs Loans (the **"Exchange Bonds or Loans"**) that are exchanged for Relevant Obligations and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans as applicable. For purposes of this definition of **"Successor"**, **"succeeded"** and **"succession"** shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of **"Successor"** shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

Where pursuant to paragraph (a)(iii) or (iv) or (vi) above or any DC Resolution, more than one Successor has been identified, the Bank shall adjust such terms of the relevant CLI as it determines appropriate to reflect the fact that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Bank shall be entitled but not obliged to make such adjustments in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the relevant CLI under the provisions of the 2014 ISDA Credit Derivatives Definitions. Such adjustments may but do not have to include, without limitation, (A) a reallocation of the outstanding principal amount of the CLI relating to the relevant Reference Entity to each relevant Successor and consequential changes in all related payment and other terms or (B) the issuance by the Bank of one or more new CLI in addition to or as a replacement for the relevant CLI in order to reflect the further Successor(s). In the case of (B) the Bank shall be entitled to decrease the Principal Amount of the relevant CLI and select appropriate aggregate principal amounts for each such new CLI consistent with any adjustment to and/or division of any credit derivative transaction(s) related to the original Reference Entity. Any such new CLI shall otherwise be on such terms as the Bank may determine appropriate to reflect there being more than one Successor with the aim of passing on to the Customer the economic effect of such event. Upon making such adjustment, the Bank shall give notice as soon as practicable to Customer in accordance with the terms of such CLI, stating the adjustment to the terms of such CLI and/or the applicable Confirmation and giving brief details of the relevant Successor event.

Notwithstanding the provisions above and paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an **"Affected Reference Entity"**) and/or the Bank would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions and at least one other entity which is not a Reference Entity or

the Bank is also identified as a Successor for the purposes of any succession, each Affected Reference Entity and/or the Bank, as applicable, shall not be regarded as a **"Successor"** for the purposes of the CLI. Where pursuant to the provisions above or paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an **"Affected Reference Entity"**) and/or the Bank would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions but no other entities (that are not Reference Entities or the Bank) are identified as a Successor in respect of the relevant succession, each Affected Reference Entity and/or the Bank, as applicable, shall not be regarded as a **"Successor"** for the purposes of the CLI and, in respect of each Affected Reference Entity or the Bank, as applicable, the Bank shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant succession and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant succession and the Bank may make such adjustments to the terms of the CLI and/or the Confirmation as it determines to be necessary or desirable to reflect such Alternative Reference Entity and Alternative Reference Obligation. If the Bank is unable to select an Alternative Reference Entity or an Alternative Reference Obligation, then: (i) no Successor shall be appointed; (ii) the Affected Reference Entity to which the relevant succession relates shall be deemed to have ceased to be a Reference Entity; (iii) that portion of any interest payable which is referable to the purchase of credit protection purchased by the Bank under the CLI in respect of the Affected Reference Entity shall be reduced accordingly as determined by the Bank; and (iv) the Bank may make such adjustments to the terms of the CLI and/or the Confirmation to account for the Successor Associated Costs, which may include, without limitation, reducing the Redemption Amount or Credit Event Redemption Amount, Auction Cash Settlement Amount or the Asset Amount (as the case may be) by an amount equal to the Successor Associated Costs, in each case with effect from the date determined by the Bank to be the relevant Succession Date.

Where:

"Alternative Reference Entity" means an entity which satisfies both the Industry Requirement (other than in the case of a Sovereign) and the Spread Requirement as determined by the Bank;

"Alternative Reference Obligation" means any obligation of the Alternative Reference Entity selected by the Bank which, as far as practicable, in the determination of the Bank is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity for which a Successor falls to be determined pursuant to this definition of **"Successor"**. An Alternative Reference Obligation may or may not be the applicable Standard Reference Obligation for the Alternative Reference Entity;

"Industry Requirement" means an entity that is in the same industry group as the Reference Entity for which a Successor falls to be determined pursuant to this definition of **"Successor"**, as determined by the Bank by reference to such source(s) as it determines appropriate, including any international market data sources;

"Spread" means the bid-side quotation obtained by the Bank from such leading dealer in the credit default swap market selected by the Bank for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Bank to be the date of the relevant Succession Date and ending on the Maturity Date and with the

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Reference Obligation(s) specified in the Confirmation or Alternative Reference Obligation(s), as applicable;

"Spread Requirement" means an entity that, as at the date of selection, has a Spread not greater than the Spread of the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", immediately prior to the relevant Succession Date as determined by the Bank; and

"Successor Associated Costs" means an amount in relation to the CLI (which may not be less than zero) equal to the total amount of any and all costs and losses associated with or incurred by the Bank and/or any Affiliate in connection with the Affected Reference Entity ceasing to be a Reference Entity, including, without limitation, any costs and losses associated with or incurred by the Bank and/or any Affiliate in connection with unwinding, substituting, re-establishing and/or incurring any funding relating to the CLI and/or any hedge positions (including without limitation, any derivative transaction) relating to the CLI, and any related costs due to costs or losses being incurred prior to the maturity or settlement of the CLI, all as determined by the Bank.

"Successor Backstop Date" means for purposes of any Successor determination determined by DC Resolution, the date that is ninety (90) calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety (90) calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Successor Notice" means an irrevocable notice from the Bank to the Customer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined. A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

"Successor Resolution Request Date" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"Trade Date" means, in respect of a CLI, the date specified as such in the applicable Confirmation.

"Transaction Auction Settlement Terms" means the Credit Derivatives Auction Settlement Terms selected by the Bank in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such

forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, inter alia, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the CLI shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in the terms of the CLI principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the relevant CLI.

"Undeliverable Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Bank determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions but excluding the non-receipt of any requisite consents with respect to the Delivery of Consent Required Loans or Assignable Loans or non-delivery of an Asset Transfer Notice or any relevant information by a holder) it is impossible or illegal to Deliver on the Physical Settlement Date.

"Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"Underlying Obligor" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"Valuation Date" means (a) where Partial Cash Settlement applies pursuant to paragraph 7.2(i) (*Partial Cash Settlement*), the second Business Day following the Final Delivery Date or otherwise (b) if "Single Valuation Date" is specified in the applicable Confirmation, subject to paragraph 7.2 (m) (*Settlement Suspension*), the date that is the number of Business Days specified in the applicable Confirmation after the Credit Event Determination Date or, if the number of Business Days is not so specified, a Business Day selected by the Bank that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (c) following the occurrence of a Fallback Settlement Method Event in respect of an Auction Settled CLI for which "Cash Settlement" is specified as the applicable Fallback Settlement Method in the applicable Confirmation, one or more dates falling on or prior to the day falling (x) the number of Business Days specified in the applicable Confirmation after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or (y) if the number of Business Days is not so specified, a Business Day selected by the Bank (such applicable date, the **"Relevant Date"**) that is not less than five (5) and not more than the Maximum Number of Business Days after the relevant date, or (d) if "Multiple Valuation Dates" is specified in the applicable Confirmation, each of the following dates:

- (i) subject to paragraph 7.2(m) (*Settlement Suspension*), (x) the date that is the number of Business Days specified in the applicable Confirmation (or, if the number of Business Days is not specified,

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a Business Day selected by the Bank that is not less than five and not more than sixty Business Days after the occurrence of a Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (y) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled CLIs for which "Cash Settlement" is specified as the applicable Fallback Settlement Method in the applicable Confirmation, the date that is the number of Business Days specified in the applicable Confirmation after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any, (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Bank that is not less than five (5) and not more than sixty (60) Business Days after the relevant date; and

- (ii) each successive date that is the number of Business Days specified in the applicable Confirmation (or if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Bank obtains a Market Value with respect to the immediately preceding Valuation Date.

As used above, "**Maximum Number of Business Days**" means 60 Business Days or such longer period within which the Bank determines that it or any relevant Affiliate may receive any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) in relation to the settlement of any Hedging Arrangements in connection with the relevant Credit Event.

When "Multiple Valuation Dates" is specified in the applicable Confirmation, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Confirmation (or, if the number of Valuation Dates is not so specified, five (5) Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Confirmation, Single Valuation Date shall apply.

"Valuation Method":

- (a) The following Valuation Methods may be specified in the applicable Confirmation with only one Valuation Date:
 - (i) "**Market**" means the Market Value determined by the Bank with respect to the Valuation Date; or
 - (ii) "**Highest**" means the highest Quotation obtained by the Bank with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Confirmation, the Valuation Method shall be Highest.
- (b) The following Valuation Methods may be specified in the applicable Confirmation with more than one Valuation Date:
 - (i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Bank with respect to each Valuation Date; or

- (ii) "**Highest**" means the highest Quotation obtained by the Bank with respect to any Valuation Date; or
- (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Bank with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Confirmation, the Valuation Method shall be Average Highest.

- (c) The following Valuation Methods may be specified in the applicable Confirmation for a CLI with more than one Reference Obligation and only one Valuation Date:
 - (i) "**Blended Market**" means the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Bank with respect to the Valuation Date; or
 - (ii) "**Blended Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Bank for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Confirmation, the Valuation Method shall be Blended Highest.

Notwithstanding paragraphs (a) to (c) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Bank may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

"**Valuation Obligation**" means (a) the Reference Obligation or (b) if the Bank determines appropriate by reference to its Hedging Arrangements in respect of the CLI, any Deliverable Obligation(s) of the Reference Entity. For the purposes of (b), the Bank will select the relevant Deliverable Obligation(s) determined in accordance with the definition thereof and notify these to the Customer along with the related Quotation Amount(s) on or prior to the relevant Valuation Date (a "**Valuation Obligation Notification**") provided that, for the purposes of the term "Deliverable Obligation" and related provisions, (i) all references to a PSN Effective Date or Delivery Date will be deemed to refer to the date of the Valuation Obligation Notification, (ii) no Physical Settlement or physical delivery of the Deliverable Obligations or any of the physical settlement procedures in paragraphs 7.2(c), (h) or (i) will apply, (iii) any reference to a Physical Settlement Notice or Physical Settlement Amendment Notice will be deemed to refer to a Valuation Obligation Notification, and (iv) all relevant provisions will be treated and construed accordingly.

"**Valuation Time**" means the time specified as such in the applicable Confirmation or, if no time is so specified, 11:00 a.m. in the principal trading market for the Valuation Obligation.

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

"**Weighted Average Quotation**" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size at least equal to the

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Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.