



ING Bank N.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

ING Groenbank N.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

ING Bank N.V., Sydney Branch

(Australian Business Number 32 080 178 196)

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

ING Bank (Australia) Limited

(Australian Business Number 24 000 893 292)

(Incorporated in Australia under the Corporations Act 2001 of Australia)

ING Bank of Canada

(A Schedule II bank incorporated under the Bank Act (Canada))

ING (US) Issuance LLC

(Organised under the laws of the State of Delaware)

ING Americas Issuance B.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

€50,000,000,000

Global Issuance Programme

Supplement to the Base Prospectus dated 23 February 2010

This Supplement (the “Supplement”) is prepared as a supplement to, and must be read in conjunction with, the Base Prospectus dated 23 February 2010 as supplemented by the supplemental prospectuses dated 18 May 2010, 13 August 2010 and 11 November 2010 respectively (the “Base Prospectus”) (this Supplement and the Base Prospectus together, the “Prospectus”). The Base Prospectus has been issued by ING Bank N.V. (the “Global Issuer”), ING Groenbank N.V., ING Bank N.V., Sydney Branch, ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V. in respect of a €50,000,000,000 Global Issuance Programme (the “Programme”). This Supplement, together with the Base Prospectus, constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council (the “Prospectus Directive”). Terms used but not defined in this Supplement have the meanings ascribed to them in the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail. Each Issuer accepts responsibility for the information contained in this Supplement relating to it and the Global Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Global Issuer (which have each taken all reasonable care to ensure that such is the case) the information contained in this Supplement (in the case of each Issuer, as such information relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

INTRODUCTION

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Base Prospectus and this Supplement, or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Arranger or any Dealer appointed by any Issuer.

Neither the delivery of this Supplement nor the Base Prospectus shall in any circumstances imply that the information contained in the Base Prospectus and herein concerning any of the Issuers is correct at any time subsequent to 11 November 2010 (in the case of the Base Prospectus) or the date hereof (in the case of this Supplement) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

So long as the Base Prospectus and this Supplement are valid as described in Article 9 of the Prospectus Directive, copies of this Supplement and the Base Prospectus, together with the other documents listed in the “General Information” section of Chapter 1 of the Base Prospectus, will be available free of charge from the Global Issuer, the specified office of the Paying Agents and, if applicable for Austrian investors from ING Bank N.V., Zweigniederlassung Wien, Ungargasse 64/3/305, 1030 Vienna, Austria. Written or oral requests for such documents should be directed to the Global Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209). In addition, this Supplement and the Base Prospectus will be made available on the website of ING (www.ing.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Other than in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain and Sweden, the Issuers, the Arranger and any Dealer do not represent that the Base Prospectus and this Supplement may be lawfully distributed in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

The distribution of the Base Prospectus and this Supplement may be restricted by law in certain jurisdictions. Persons into whose possession the Base Prospectus and this Supplement come must inform themselves about, and observe, any such restrictions (see “Chapter 1– Subscription and Sale” in the Base Prospectus).

In relation to any non-exempt offers currently being made under the Base Prospectus investors have the right, in accordance with Article 16 of the Prospectus Directive, to withdraw their acceptances within two working days commencing from the date of publication of this Supplement or such longer period as is required under applicable law.

RECENT DEVELOPMENTS

The Programme currently provides for the Global Issuer to issue Warrants in the form of exercisable certificates (the “Certificates”), which Terms and Conditions and applicable Final Terms are set out in Chapter 22 of the Base Prospectus, under the name “Sprinter Certificates”. The Global Issuer now proposes that Certificates issued by it from time to time as from the date of this Supplement will be offered and listed, at the discretion of the Global Issuer, under the name “Sprinter Certificates” or “ING Turbo Certificates”. In addition, the Global Issuer expects to begin offering Certificates in France for listing on Euronext Paris. In connection herewith, the Global Issuer has appointed BNP Paribas Securities Services as an additional Principal Certificate Agent and has entered into an additional Certificate Agreement on 29 November 2010. Accordingly, this Supplement provides for amendments to the Base Prospectus that are relevant only with respect to Certificates issued under Programme as from the date of this Supplement.

MODIFICATIONS TO THE BASE PROSPECTUS

1. Throughout the Base Prospectus the terms “Sprinter Certificates” and “sprinter certificates” shall be deleted and replaced with the terms “Certificates” and “certificates” respectively.
2. The selling restriction for France in respect of Warrants issued by the Global Issuer as set out on page 206 of the Base Prospectus shall be deleted and replaced in its entirety by the following:

“France

Offer to the public in France:

Warrants issued by the Global Issuer have only been offered and will only be offered to the public in France in the period beginning when a prospectus has been approved by the competent authority of a Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the Autorité des Marchés Financiers (the “AMF”), all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

Private placement in France:

Warrants issued by the Global Issuer have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, and none of the Base Prospectus, the relevant Final Terms or any other offering material relating to the Warrants issued by the Global Issuer has been distributed or caused to be distributed and will be distributed or caused to be distributed to the public in France, and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

General information:

The Base Prospectus prepared in connection with the Warrants issued by the Global Issuer have not been submitted to the clearance procedures of the Autorité des marchés financiers.”.

3. The following new paragraph shall be inserted immediately below the section currently entitled “Description of Sprinter Certificates” on page 74 of the Base Prospectus:

“At the discretion of the Global Issuer and as specified in the applicable Final Terms, Certificates are offered and/or listed under the name “Sprinter Certificates” or “ING Turbo Certificates”.”.

4. The text “**PRINCIPAL CERTIFICATE AGENT FOR THE SPRINTER CERTIFICATES ISSUED BY THE GLOBAL ISSUER - ING Bank N.V. - Van Heenvlietlaan 220 - 1083 CN Amsterdam - The Netherlands**” as set out on page 1558 of the Base Propsectus shall be deleted and replaced in its entirety by the following:

“PRINCIPAL CERTIFICATE AGENTS FOR THE CERTIFICATES ISSUED BY THE GLOBAL ISSUER

ING Bank N.V.

Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

BNP Paribas Securities Services

3 rue d’ Antin
75002 Paris
France”

4. The Terms and Conditions and the form of Final Terms relating to Certificates issued by the Global Issuer as set out in Chapter 22 (pages 1402 up to and including 1481) of the Base Prospectus shall be deleted and replaced in their entirety by the text in Annex A to this Supplement.

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Annex A

CHAPTER 22: CERTIFICATES ISSUED BY ING BANK N.V.

PART 1: TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the Terms and Conditions of the Certificates issued by the Global Issuer (the “General Certificate Conditions”) which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the terms and conditions below and the Final Terms, the Final Terms shall prevail.

ING Bank N.V. (the “Issuer”) may from time to time issue exercisable certificates (such exercisable certificates being hereinafter referred to as the “Certificates”) issued, as specified in the applicable Final Terms, pursuant to a Certificate Agreement dated as of 29 November 2010 (as modified, supplemented and/or restated as at the issue date of the Certificates, the “ING Certificate Agreement”) between ING Bank N.V., ING Bank N.V. as principal certificate agent (the “ING Principal Certificate Agent”, which expression shall include any additional or successor principal certificate agent) and the other certificate agents named therein (together with the Principal Certificate Agent, the “ING Certificate Agents”, which expression shall include any additional or successor certificate agents) or, pursuant to a Certificate Agreement dated as of 29 November 2010 (as modified, supplemented and/or restated as at the issue date of the Certificates, the “BNP Certificate Agreement”) between ING Bank N.V., BNP Paribas Securities Services as principal certificate agent (the “BNP Principal Certificate Agent”, which expression shall include any additional or successor principal certificate agent) and the other certificate agents named therein (together with the BNP Principal Certificate Agent, the “BNP Certificate Agents”, which expression shall include any additional or successor certificate agents). The ING Principal Certificate Agent and the BNP Principal Certificate Agent shall hereinafter be referred to as the “Principal Certificate Agent” and the ING Certificate Agents and the BNP Certificate Agents shall hereinafter be referred to as the “Certificate Agents”.

If ING Bank N.V. is specified in the applicable Final Terms as Principal Certificate Agent, the Certificates will be issued pursuant to the ING Certificate Agreement. If BNP Paribas Securities Services is specified in the applicable Final Terms as Principal Certificate Agent, the Certificates will be issued pursuant to the BNP Certificate Agreement. References made herein to the Principal Certificate Agent and Certificate Agents shall be construed accordingly. The Issuer shall undertake the duties of calculation agent (the “Calculation Agent”) in respect of the Certificates as set out below and in the applicable Final Terms.

No Certificates in definitive form will be issued. The Certificates will be registered in uncertificated book entry form with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Netherlands”). No physical global certificates or certificates will be issued in respect of Certificates. The Certificates are issued subject to and in accordance with the Terms and Conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the Rules for Book-Entry Deposits (*Reglement Girodepots*) and the Guidelines Euroclear Nederland (*Richtlijnen Euroclear Nederland*) issued by Euroclear Netherlands and from time to time amended (together the “Regulations”). The right to request delivery (*uitlevering*) of Certificates is excluded.

All Certificates will be distributed by the Issuer on a non-syndicated basis.

At the discretion of the Issuer and as specified in the applicable Final Terms, Certificates are offered and/or listed under the name “Sprinter Certificates” or “ING Turbo Certificates”.

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

References herein to the “applicable Final Terms” are to the Final Terms registered with Euroclear Netherlands.

Copies of the Certificate Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of the Issuer.

Words and expressions defined in the Certificate Agreement or used in the applicable Final Terms shall have the same meanings where used in these General Certificate Conditions unless the context otherwise requires or unless otherwise stated.

The Certificateholders (as defined in General Certificate Condition 1(C)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Certificate Agreement (insofar as they relate to the Certificates) and the applicable Final Terms, which are binding on them.

1 Type, Title and Transfer

(A) Type

The Certificates are Index Certificates, Share Certificates, Currency Certificates, Commodity Certificates, Fund Certificates or Government Bond Certificates. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Certificates, Share Certificates, Commodity Certificates, Currency Certificates, Fund Certificates and Government Certificates are set out in parts 2(A) to 2(F) of the Terms and Conditions of the Certificates of this Chapter 22 as applicable.

(B) Title to Certificates

Title to the Certificates shall pass by book-entry in accordance with the Securities Giro Act and the Regulations. Rights in respect of the Certificates shall belong to a community to be subdivided into as many equal denominations (in the Regulations referred to as *coupures*) as there are Certificates in the relevant series.

(C) Transfers of Certificates

Transfer and delivery of denominations shall take place solely between or through the intermediary of admitted institutions (“Admitted Institutions”, as defined in the Regulations as *aangesloten instellingen*) of Euroclear Netherlands. A holder of a co-ownership right in respect of the community of denominations is referred to as a “Certificateholder” or “holder of Certificates”.

(D) Payments in respect of Certificates

All payments in respect of the Certificates shall be made in accordance with the Regulations. In particular, payment of principal or any other payments on or in respect of the Certificates to the Certificateholders will be effected through Admitted Institutions (*aangesloten*) of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Certificates to an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Certificateholders. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Admitted Institutions which according to Euroclear Netherlands’ record hold a share in the *girodepot* (as referred to in the Securities Giro Act) with respect to such Certificates, the relevant payment to be made in proportion with the share in such *girodepot* held by each of such Admitted Institutions in accordance with the relevant provisions of the

Rules for Book-Entry Deposits. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

Transfers of Certificates may not be effected after (i) the exercise of such Certificates pursuant to General Certificate Condition 4, (ii) the date upon which the Issuer gives notice to the Certificateholders of the occurrence of a Stop Loss Event; or (iii) the date upon which the Issuer gives notice to the Certificateholders of its intention to terminate the Certificates as a result of an Issuer Call.

Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent from time to time and notified to the Certificateholders in accordance with General Certificate Condition 8.

(E) Delivery of Certificates

Delivery of any Certificates shall be effected by delivery against payment.

2 Status of the Certificates

The Certificates constitute direct, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

3 Exercise and Termination; Cash Settlement

(A) Exercise

Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Certificates are exercisable on any Exercise Date by delivery of a Notice prior to the Exercise Time on an Exercise Date.

(B) Stop Loss Event

Following a Stop Loss Event, the Certificates will terminate automatically. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date or Valuation Date as the case may be.

(C) Issuer Call

The Issuer may terminate, subject to a valid Exercise or a Stop Loss Event, the Certificates, in whole but not in part, on any Business Day by giving Certificateholders at least the Issuer Call Notice Period notice of its intention to terminate the Certificates, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with General Certificate Condition 8, and shall specify the Issuer Call Date and Settlement Date.

(D) Cash Settlement

Each Certificate entitles its holder, upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event, to receive from the Issuer on the Settlement Date either:

- (i) the Exercise Cash Settlement Amount, following a valid Exercise;
- (ii) the Issuer Call Cash Settlement Amount, following a valid Issuer Call; or
- (iii) the Stop Loss Cash Settlement Amount, following a Stop Loss Event.

Each of the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount and the Stop Loss Cash Settlement Amount is hereinafter referred to as a “Cash Settlement Amount”.

The Cash Settlement Amount will be subject to deduction of Expenses.

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate to the Certificateholder’s account for value on the Settlement Date less any Expenses.

(E) General

The Calculation Agent shall give notice to the holders of the Certificates, in accordance with General Certificate Condition 8, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Certificates.

4 Exercise Procedure

(A) Notice

Certificates may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed notice (a “Notice”) in the form set out in the Certificate Agreement (copies of which form may be obtained from Euroclear Netherlands and the Certificate Agents during normal office hours) to Euroclear Netherlands with a copy to the Principal Certificate Agent in accordance with the provisions set out in General Certificate Condition 3 and this General Certificate Condition.

The Notice shall (among other things):

- (i) specify the series number of the Certificates and the number of Certificates being exercised;
- (ii) specify the number of the Certificateholder’s account at Euroclear Netherlands to be debited with the Certificates being exercised;
- (iii) irrevocably instruct Euroclear Netherlands to debit on or before the Settlement Date the Certificateholder’s account with the Certificates being exercised;
- (iv) specify the number of the Certificateholder’s account at Euroclear Netherlands to be credited with the Cash Settlement Amount (if any) for each Certificate being exercised;
- (v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Certificates and an authority to Euroclear Netherlands to deduct an amount in respect thereof from any Cash Settlement Amount due to such Certificateholder and/or to debit a specified account of the Certificateholder at Euroclear Netherlands in respect thereof and to pay such Expenses; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Certificate Agreement.

(B) Verification of the Certificateholder

Upon receipt of a Notice, Euroclear Netherlands shall verify that the person exercising the Certificates is the holder thereof according to the books of Euroclear Netherlands. Subject thereto, Euroclear Netherlands will confirm to the Principal Certificate Agent the series number and number of

Certificates being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. Euroclear Netherlands will on or before the Settlement Date debit the account of the relevant Certificateholder with the Certificates being exercised. Upon exercise of less than all the Certificates, a depositary or common depositary for the relevant clearing system(s) will, on the instructions of, and on behalf of, the Principal Certificate Agent, note such exercise and the number of Certificates so constituted shall be reduced by the cancellation *pro tanto* of the Certificates so exercised.

(C) Determinations

Any determination as to whether a Notice is duly completed and in proper form shall be made by Euroclear Netherlands in consultation with the Principal Certificate Agent, and shall be conclusive and binding on the Issuer, the Certificate Agents and the relevant Certificateholder.

Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate Agent immediately after being delivered or sent to Euroclear Netherlands as provided in paragraph (A) above, shall be null and void.

If such Notice is subsequently corrected to the satisfaction of Euroclear Netherlands in consultation with the Principal Certificate Agent, it shall be deemed to be a new Notice submitted at the time such correction was delivered to or Euroclear Netherlands and the Principal Certificate Agent.

Any Certificate with respect to which the Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in General Certificate Condition 3(A) shall become void.

Neither the Issuer nor the Certificate Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether a Notice is complete or in proper form or the notification of such determination to a Certificateholder.

(D) Delivery of a Notice

Delivery of a Notice shall constitute an irrevocable election by the relevant Certificateholder to exercise the Certificates specified. After the delivery of such Notice, such exercising Certificateholder may not transfer such Certificates.

(E) Exercise Risk

Exercise of the Certificates is subject to all applicable laws, regulations and practices in force on the relevant exercise date and none of the Issuer or any Certificate Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or the Certificate Agents shall under any circumstances be liable for any acts or defaults of Euroclear Netherlands in relation to the performance of its duties in relation to the Certificates.

(F) Minimum and Maximum Number of Certificates Exercisable

The number of Certificates exercisable by any Certificateholder on the Exercise Date, as determined by the Issuer, must not be less than one. Any Notice which purports to exercise Certificates in breach of this provision shall be void and of no effect. There is no maximum subscription amount unless otherwise stated in the relevant Final Terms.

5 Illegality

If the Issuer determines that the performance of its obligations under the Certificates or any Hedging Arrangement made to hedge its obligations thereunder has become illegal or otherwise prohibited in whole or

in part for any reason, the Issuer may cancel the Certificates by giving notice to Certificateholders in accordance with General Certificate Condition 8.

Should any one or more of the provisions contained in these General Certificate Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Certificates then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Certificate held by such holder, which amount shall be the fair market value of a Certificate notwithstanding such illegality or prohibition less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any Hedging Arrangements, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any Hedging Arrangements all as determined by the Calculation Agent. Payment will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificate Condition 8.

6 Purchases

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

7 Agents, Determinations and Modifications

(A) Certificate Agents

The specified offices of the Certificate Agents are as set out at the end of these General Certificate Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Certificate Agent and to appoint further or additional Certificate Agents, provided that no termination of appointment of the Principal Certificate Agent shall become effective until a replacement Principal Certificate Agent shall have been appointed and provided that, so long as any of the Certificates are listed or admitted to trading on a stock exchange, there shall be a Certificate Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Certificate Agent will be given to Certificateholders in accordance with General Certificate Condition 8. In acting under the Certificate Agreement, each Certificate Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders and any determinations and calculations made in respect of the Certificates by any Certificate Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Certificateholders.

(B) Calculation Agent/Issuer

In relation to each issue of Certificates, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders. For the purposes of the Certificates, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Certificates shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer shall (save in the case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefor.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Modifications*

The Issuer may modify these General Certificate Conditions and/or the Certificate Agreement without the consent of the Certificateholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Certificateholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Certificateholders in accordance with General Certificate Condition 8 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

8 Notices

All notices to Certificateholders shall be valid if delivered to Euroclear Netherlands for communication by them to the holders of the Certificates and, in addition, for so long as any Certificates are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or other relevant authority). Notice shall be deemed to have been given to the holders of the Certificates on the first day after the day on which the said notice was given to Euroclear Netherlands.

9 Expenses and Taxation

- (A) A holder of Certificates must pay all Expenses relating to such Certificates as provided above.
- (B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Certificate and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

10 Further Issues

The Issuer shall be at liberty from time to time without the consent of Certificateholders to create and issue further Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

11 Substitution of the Issuer

- (A) The Issuer may, without any further consent of the Certificateholders being required, when no payment or delivery obligation on any of the Certificates is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “Substituted Obligor”) as principal obligor in respect of the Certificates provided that:
 - (i) such documents shall be executed by the Substituted Obligor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Obligor shall undertake in favour of each Certificateholder to be bound by the General Certificate Conditions of the Certificates and the provisions of the Certificate Agreement as fully as if the Substituted Obligor had been named in the Certificates and the Certificate Agreement as the principal obligor in respect of the Certificates in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Certificateholder the performance by the Substituted Obligor of all obligations under the Certificates;
 - (ii) the Documents shall contain a covenant by the Substituted Obligor and the Issuer to indemnify and hold harmless each Certificateholder against all liabilities, costs, charges and expenses

(provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this General Certificate Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Certificateholder by any political subdivision or taxing authority of any country in which such Certificateholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

- (iii) the Documents shall contain a warranty and representation by the Substituted Obligor and the Issuer (a) that each of the Substituted Obligor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Obligor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Certificateholder;
 - (iv) each stock exchange which has Certificates listed or admitted to trading thereon shall have confirmed that following the proposed substitution of the Substituted Obligor such Certificates would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
 - (v) the Substituted Obligor shall have delivered to the Principal Certificate Agent or procured the delivery to the Principal Certificate Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Certificate Agent;
 - (vi) the Issuer shall have delivered to the Principal Certificate Agent or procured the delivery to the Principal Certificate Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Certificate Agent;
 - (vii) the Issuer shall have delivered to the Principal Certificate Agent or procured the delivery to the Principal Certificate Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Obligor and the Issuer under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Principal Certificate Agent; and
 - (viii) the Substituted Obligor (if not incorporated in England) shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates or the Documents.
- (B) In connection with any substitution effected pursuant to this General Certificate Condition, neither the Issuer nor the Substituted Obligor need have any regard to the consequences of any such substitution for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no

Certificateholder, except as provided in General Certificate Condition 11(A)(ii), shall be entitled to claim from the Issuer or any Substituted Obligor under the Certificates any indemnification or payment in respect of any tax or other consequences arising from such substitution.

- (C) Upon the execution of the Documents as referred to in paragraph (A) above, and subject to the notification as referred to in paragraph (E) below having been given, the Substituted Obligor shall be deemed to be named in the Certificates as the principal obligor in place of the Issuer and the Certificates shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal obligor in respect of the Certificates save that any claims under the Certificates prior to release shall enure for the benefit of Certificateholders.
- (D) The Documents shall be deposited with and held by the Principal Certificate Agent for so long as any Certificates remain outstanding and for so long as any claim made against the Substituted Obligor by any Certificateholder in relation to the Certificates or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and the Issuer shall acknowledge in the Documents the right of every Certificateholder to the production of the Documents for the enforcement of any of the Certificates or the Documents.
- (E) Not later than 15 business days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Certificateholders in accordance with General Certificate Condition 8.

12 Contracts (Rights of Third Parties) Act 1999

The Certificates do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 (the “Act”) to enforce any term of the Certificates but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

13 Governing Law and Jurisdiction

The Certificates and the Certificate Agreement, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Certificates or the Certificate Agreement and accordingly any legal action or proceedings arising out of or in connection with any Certificates or the Certificate Agreement (“Proceedings”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Certificates and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer irrevocably appoints the General Manager for the time being of its London Branch, currently at 60 London Wall, London EC2M 5TQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Certificateholders of such appointment in accordance with General Certificate Condition 8. Nothing shall affect the right to serve process in any manner permitted by law.

PART 2(A): TERMS AND CONDITIONS OF INDEX CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to an index shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Index Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means a Change in Law, a Hedging Disruption and/or such other event (if any) specified in the applicable Final Terms.

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(1) in the case of a Long Index Certificate:

(a) Upon Exercise:

(Final Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

(Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

(Stop Loss Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(2) in the case of a Short Index Certificate:

(a) Upon Exercise:

(Current Financing Level – Final Reference Price) x Entitlement, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that:

(X) it has (or it expects that it will) become illegal for the Issuer or any of its affiliates, to (i) hold, acquire or dispose of any Component of the Index or to enter into transactions on or relating to any Component of the Index or (ii) perform its obligations under the Certificates; or

(Y) the Issuer or any of its affiliates would (or would expect to) incur a materially increased cost in (i) holding, acquiring or disposing of any Component of the Index, (ii) maintaining, entering into or unwinding any Hedging Arrangement, and/or (iii) performing its obligations under the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Component**” means in respect of an Index, any shares, equity options or other component comprised in such Index. If the Index itself comprises or includes one or more other Indices, “Component” shall be read and construed as the relevant underlying shares, equity options or other components.

“**Current Financing Level**” means, subject to adjustment in accordance with Index Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost; and minus
- (c) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the relevant Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“**Current Spread**” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the “**Maximum Spread**” (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Index or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“**Current Stop Loss Premium**” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in

accordance with Index Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “**Minimum Premium**” nor greater than the “**Maximum Premium**” (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Index Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the “**Current Stop Loss Premium Rate**”) on the Trade Date is the rate specified as such in the applicable Final Terms.

“**Disrupted Day**” means, in respect of the Index, any Scheduled Trading Day on which (i) if “Multi-Exchange Index” is specified in the Final Terms, the Index Sponsor fails to publish the level of the Index or, if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

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

“**Entitlement**” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Index Certificate Condition 2.

“**Exchange(s)**” means, in respect of the Index, if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, the Exchange specified for the Index in the Final Terms and, if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of the Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of the Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of the Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any security comprised in the Index on any relevant Exchange and (y) if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, securities that comprise 20 per cent. or more of the level of the Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

“**Exchange Rate**” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“**Exercise**” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“**Exercise Date**” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“Exercise Time” means the time specified as such in the applicable Final Terms.

“Expenses” means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Certificate and/or (b) in connection with any payment or delivery due upon Exercise, an Issuer Call or following a Stop Loss Event or otherwise in respect of such Certificate.

“Final Reference Price” means, unless otherwise specified in the applicable Final Terms, an amount equal to the official closing value of the Index at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the securities comprised in the Index on the Exchange and such other factors as the Calculation Agent determines relevant.

“Financing Level Currency” means the currency specified as such in the applicable Final Terms.

“Funding Cost” means, subject to adjustment in accordance with Index Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

(1) in the case of a Long Index Certificate:

- (a) Prevailing Rate plus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

(2) in the case of a Short Index Certificate:

- (a) Prevailing Rate minus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

“Hedging Arrangement” means any hedging arrangements entered into by the Issuer and/or its affiliates at any time with respect to the Certificates, including without limitation the entry into of any transaction(s) and/or purchase and/or sale of any Component of the Index or any other asset(s) to hedge the equity price risk of entering into and performing the obligations of the Issuer under the Certificates and any associated foreign exchange transactions.

“Hedging Disruption” means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (A) hold, acquire, re-establish, substitute, maintain, unwind or dispose of any Component of the Index and/or any Hedging Arrangement, or (B) realise, recover or remit the proceeds of any Component and/or any Hedging Arrangement and/or (c) any other event specified as such in the applicable Final Terms.

“Index” means the index specified as such in the Final Terms or any Successor Index.

“Index Cancellation” means, in respect of the Index, the Index Sponsor in respect of the Index cancels the Index and no Successor Index exists.

“Index Disruption” means, in respect of the Index, the Index Sponsor in respect of the Index fails to calculate and announce the Index Level.

“Index Level” means, in respect of the Index, on any relevant Scheduled Trading Day, the official closing level of the Index, as calculated and published by the Index Sponsor.

“Index Modification” means, in respect of the Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events).

“Index Sponsor” means, unless otherwise specified in the applicable Final Terms, the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

“Issue Date” means the date specified as such in the applicable Final Terms.

“Issuer Call” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“Issuer Call Commencement Date” means the date specified as such in the applicable Final Terms.

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Index and such other factors as the Calculation Agent determines to be relevant.

“Issuer Call Notice Period” means the period specified as such in the applicable Final Terms.

“Long Index Certificate” means a Certificate designated as such in the applicable Final Terms.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption or (iii) any Additional Market Disruption Event, which in each case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iv) an Early Closure, provided that, if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the

overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“Notional Dividend Amount” means, if “Notional Dividend Amount” is specified as being applicable in the Final Terms, an amount as determined by the Calculation Agent, equal to (1) in the case of a Long Index Certificate: (i) the sum of the cash dividends and/or other cash distributions in respect of each security comprised in the Index which have an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses; or (2) in the case of a Short Index Certificate: (i) the sum of the full cash dividends declared in respect of each security comprised in the Index which have an ex-dividend date occurring during the Notional Dividend Period without regard to any withholding taxes or other deductions, multiplied by the prevailing percentage payable under market standard stock borrow agreements, or (ii) the market implied dividend during the Notional Dividend Period, plus any Expenses.

“Notional Dividend Period” means, unless otherwise specified in the applicable Final Terms, each period from (but excluding) the Trade Date to (and including) the earlier of the next following Reset Date, Issuer Call Date, Valuation Date or the Stop Loss Termination Date and thereafter from (but excluding) the Reset Date to (and including) the earlier of the next following Reset Date, Issuer Call Date, Valuation Date or the Stop Loss Termination Date.

“Prevailing Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“Related Exchange” means, in respect of the Index, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index or such other options or futures exchange(s) as the Calculation Agent may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Relevant Number of Scheduled Trading Days” means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

“Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day, as determined by the Calculation Agent.

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

“Scheduled Trading Day” means, in respect of the Index, (i) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“Settlement Date” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date

specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“Short Index Certificate” means a Certificate designated as such in the applicable Final Terms.

“Stop Loss Event” occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Index Certificate Condition 2, the level of the Index as calculated and published by the Index Sponsor (which shall be deemed to be a monetary value in the Financing Level Currency) is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Index Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Index Certificate, greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

“Stop Loss Price” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Index Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

(1) in the case of a Long Index Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

(2) in the case of a Short Index Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; minus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as **“Stop Loss Price Rounding”**. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“Stop Loss Reset Date” means (a) the first Business Day of each calendar month or (b) a Business Day, as determined by the Calculation Agent.

“Stop Loss Termination Date” means the first Scheduled Trading Day on which the Stop Loss Event occurs.

“Stop Loss Termination Reference Price” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Index Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Index as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best efforts basis.

(1) in the case of a Long Index Certificate the Stop Loss Termination Reference Price will be equal to at least the lowest level of the Index on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day; or

(2) in the case of a Short Index Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Index on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day.

“Stop Loss Termination Valuation Date” means the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

“Stop Loss Termination Valuation Period” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be

determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

“Successor Index” means, in respect of the Index, where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

“Termination Reference Price” means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Index Level at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

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

“Trading Disruption” means, in respect of the Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, on any Exchange(s) relating to any security comprised in the Index or, if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on any Related Exchange.

“Valuation Date” means, the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price by determining the Index Level as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on the last day of the Relevant Number of Scheduled Trading Days, its good faith estimate of the value for the relevant security as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days); and/or (iii) the Issuer may make any adjustment or adjustments to the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount, the Stop Loss Cash Settlement Amount, any Index Level and/or any other relevant term of the Certificates (including the amount of interest payable, if any) as it deems necessary.

“Valuation Time” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to the Index. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to the provisions concerning Disrupted Days) the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Events

If the Calculation Agent determines that a Market Disruption Event has occurred, the Issuer, at its discretion, may (i) make any adjustment or adjustments to the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount, the Stop Loss Cash Settlement Amount, any Index Level and/or

any other relevant term of the Certificates (including the amount of interest payable, if any) as it deems necessary and/or (ii) redeem each Certificate at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer (or any of its affiliates) of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer (or any of its affiliates) in respect of any Hedging Arrangement. The Issuer shall give notice to the holders of the Certificates of any such adjustment and/or any redemption of the Certificates hereunder in accordance with General Certificate Condition 8.

(B) Index Modification, Index Cancellation and/or Index Disruption

If the Calculation Agent determines that, in respect of the Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to any terms and conditions of the Certificates (each such other event, a “**Relevant Event**”), the Issuer may (a) make any adjustment or adjustments to the terms and conditions of the Certificates as it deems necessary and/or (b) redeem each Certificate at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Index Modification, Index Cancellation, Index Disruption or Relevant Event, as applicable, less, unless specified otherwise in the Final Terms, the cost to the Issuer (or any of its affiliates) of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer (or any of its affiliates) in respect of any Hedging Arrangement. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8.

(C) Change of Exchange

If an Exchange is changed, the Issuer may make such consequential modifications to the terms and conditions of the Certificates as it may deem necessary.

(D) Price Correction

In the event that any price or level published on the Exchange or by the Index Sponsor in respect of the Index and which is utilised for any calculation or determination made under the Certificates is subsequently corrected and the correction is published by the Exchange or the Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the terms and conditions of the Certificates to account for such correction.

(E) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Certificates as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Certificate Condition 8.

3 Index Disclaimer

The Certificates are not sponsored, endorsed, sold or promoted by the Index or of the Index Sponsor and the Index Sponsor has not made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or

otherwise) to any person for any error in the Index and the Index Sponsor are not under any obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Certificates. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or of the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

PART 2(B): TERMS AND CONDITIONS OF SHARE CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to a share shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Share Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Share Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means Change in Law, Hedging Disruption, Insolvency Filing and/or such other event (if any) specified in the applicable Final Terms.

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(1) in the case of a Long Share Certificate:

(a) Upon Exercise:

$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(2) in the case of a Short Share Certificate:

(a) Upon Exercise:

$(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that:

(X) it has (or it expects that it will) become illegal for the Issuer or any of its affiliates, to (i) hold, acquire or dispose of the Shares or to enter into transactions on or relating to the Shares or (ii) perform its obligations under the Certificates; or

(Y) the Issuer or any of its affiliates would (or would expect to) incur a materially increased cost in (i) holding, acquiring or disposing of the Shares, (ii) maintaining, entering into or unwinding any Hedging Arrangement, and/or (iii) performing its obligations under the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Current Financing Level**” means, subject to adjustment in accordance with Share Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost; and minus
- (c) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the relevant Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“**Current Spread**” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the “**Maximum Spread**” (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Share or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“**Current Stop Loss Premium**” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Share Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “**Minimum Premium**” nor greater than the “**Maximum Premium**” (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Share Certificate Condition 2. The

percentage used for calculating the Current Stop Loss Premium (the “**Current Stop Loss Premium Rate**”) on the Trade Date is the rate specified as such in the applicable Final Terms.

“**Delisting**” means that the Exchange announces that pursuant to its rules the Share has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and the Share is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and the Share is no longer listed on an Exchange acceptable to the Issuer.

“**Disrupted Day**” means, in respect of the Share, any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

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

“**Entitlement**” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Share Certificate Condition 2.

“**Exchange**” means, in respect of the Share, the Exchange specified for the Share in the Final Terms or otherwise the stock exchange on which the Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Share on such successor or substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of the Share, any Scheduled Trading Day on which the Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its Scheduled Closing Time.

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

“**Exchange Rate**” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“**Exercise**” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“**Exercise Date**” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“**Exercise Time**” means the time specified as such in the applicable Final Terms.

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such

Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Certificate.

“**Extraordinary Dividend**” means, in respect of the Share, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent.

“**Final Reference Price**” means, unless otherwise specified in the applicable Final Terms, an amount equal to the price of the Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Final Reference Price, all as determined by or on behalf of the Calculation Agent.

“**Financing Level Currency**” means the currency specified as such in the applicable Final Terms.

“**Funding Cost**” means, subject to adjustment in accordance with Share Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

(1) in the case of a Long Share Certificate:

- (a) Prevailing Rate plus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

(2) in the case of a Short Share Certificate:

- (a) Prevailing Rate minus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

“**Hedging Arrangement**” means any hedging arrangements entered into by the Issuer and/or its affiliates at any time with respect to the Certificates, including without limitation, the entry into of any transaction(s) and/or the purchase and/or sale of the Shares or any other asset(s) to hedge the equity price risk of entering into and performing the obligations of the Issuer under the Certificates and any associated foreign exchange transactions.

“**Hedging Disruption**” means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (A) hold, acquire, re-establish, substitute, maintain, unwind or dispose of the Shares and/or any Hedging Arrangement, or (B) realise, recover or remit the proceeds of the Shares and/or any Hedging Arrangement and/or (c) any other event specified as such in the applicable Final Terms.

“**Insolvency**” means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or

other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

“Insolvency Filing” means, in respect of the Share, that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

“Issue Date” means the date specified as such in the applicable Final Terms.

“Issuer Call” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“Issuer Call Commencement Date” means the date specified as such in the applicable Final Terms.

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant.

“Issuer Call Notice Period” means the period specified as such in the applicable Final Terms.

“Long Share Certificate” means a Certificate designated as such in the applicable Final Terms.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption or (iii) any Additional Market Disruption Event, which in each case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iv) an Early Closure.

“Merger Date” means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of the Share, any (i) reclassification or change of the Share that results in a transfer of or an irrevocable commitment to transfer all of the Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of the Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all the Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all the Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity)

immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is on or before the relevant Valuation Date.

“**Nationalisation**” means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**New Shares**” means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

“**Notional Dividend Amount**” means, if “Notional Dividend Amount” is specified as being applicable in the Final Terms, an amount as determined by the Calculation Agent, equal to (1) in the case of a Long Share Certificate (i) the sum of the cash dividends and/or other cash distributions in respect of the Share which has an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses; or (2) in the case of a Short Share Certificate: (i) the sum of full cash dividends declared in respect of the Share which has an ex-dividend date occurring during the Notional Dividend Period without regard to any withholding taxes or other deductions, multiplied by the prevailing percentage payable under market standard stock borrow agreements, or (ii) the market implied dividend during the Notional Dividend Period, plus any Expenses..

“**Notional Dividend Period**” means, unless otherwise specified in the applicable Final Terms, each period from (but excluding) the Trade Date to (and including) the earlier of the next following Reset Date, Issuer Call Date, Valuation Date or the Stop Loss Termination Date and thereafter from (but excluding) the Reset Date to (and including) the earlier of the next following Reset Date, Issuer Call Date, Valuation Date or the Stop Loss Termination Date.

“**Other Consideration**” means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

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

- (i) a subdivision, consolidation or reclassification of the Share (unless resulting in a Merger Event), or a free distribution or dividend of the Share to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Share of (A) such Share, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Share, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares.

“Prevailing Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“Related Exchange” means, in respect of the Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Share or such other options or futures exchange(s) as the Calculation Agent may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Relevant Number of Scheduled Trading Days” means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

“Reset Date” means, means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

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

“Scheduled Trading Day” means, in respect of the Share, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“Settlement Date” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“Share” means the share specified as such in the Final Terms.

“Share Issuer” has the meaning ascribed to it in the Final Terms.

“Short Share Certificate” means a Certificate designated as such in the applicable Final Terms.

“Stop Loss Event” occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Share Certificate Condition 2, the price of the Share on the Exchange is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Share Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Share Certificate, greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

“Stop Loss Price” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Share Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

(1) in the case of a Long Share Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

(2) in the case of a Short Share Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; minus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as **“Stop Loss Price Rounding”**. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“Stop Loss Reset Date” means (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

“Stop Loss Termination Date” means the first Scheduled Trading Day on which the Stop Loss Event occurs.

“Stop Loss Termination Reference Price” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Share Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price of the Share as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis.

(1) in the case of a Long Share Certificate the Stop Loss Termination Reference Price will be equal to at least the lowest price of the Share on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day; or

(2) in the case of a Short Share Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Share on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day.

“Stop Loss Termination Valuation Date” means the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

“Stop Loss Termination Valuation Period” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

“Tender Offer” means, in respect of the Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Issuer are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“Termination Reference Price” means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the price of the Share at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

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

“Trading Disruption” means, in respect of the Share, any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange, or (ii) in futures or options contracts relating to the Share on a Related Exchange.

“Valuation Date” means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and/or (iii) the Issuer may make any adjustment or adjustments to the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount, the Stop Loss Cash Settlement Amount and/or any other relevant term of the Certificates (including the amount of interest payable, if any) as it deems necessary.

“Valuation Time” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to the Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to the provisions concerning Disrupted Days) the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Events

If the Calculation Agent determines that a Market Disruption Event has occurred, the Issuer, at its discretion, may (i) make any adjustment or adjustments to the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount, the Stop Loss Cash Settlement Amount and/or any other relevant term of the Certificates (including the amount of interest payable, if any) as it deems necessary to account for any Market Disruption Event if it considers it appropriate to do so and/or (ii) redeem each Certificate at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer (or any of its affiliates) of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer (or any of its affiliates) in respect of any Hedging Arrangement. The Issuer shall give notice to the holders of the Certificates of any such adjustment and/or any redemption of the Certificates hereunder in accordance with General Certificate Condition 8.

(B) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of the Share or that there has been an adjustment to the settlement terms of listed contracts on the Share traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) request the Issuer to make the corresponding adjustment(s), if any, to any of the terms and conditions

of the Certificates as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Share traded on that options exchange.

(C) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred in respect of the Share, the Issuer may:

- (i) cancel the Certificates by giving notice to Certificateholders in accordance with General Certificate Condition 8. If the Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Certificate held by it which amount shall be the fair market value of a Certificate taking into account the Merger Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any Hedging Arrangements, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any Hedging Arrangements all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificate Condition 8;
- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Certificates of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Share or to the Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Share traded on such options exchange and determine the effective date of that adjustment; and/or
- (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant “Shares” and the relevant “Share Issuer”, respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms and conditions of the Certificates as it may determine.

The Issuer shall give notice of such cancellation, adjustment or deemed change to Certificateholders in accordance with General Certificate Condition 8.

3 Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred in respect of the Share, then on or after the relevant Tender Offer Date the Issuer may:

- (i) cancel the Certificates by giving notice to Certificateholders in accordance with General Certificate Condition 8. If the Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Certificate held by it which amount shall be the fair market value of a Certificate taking into account the Tender Offer less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any Hedging Arrangements, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any Hedging Arrangements all as determined by the Calculation Agent. Payments will be

made in such manner as shall be notified to the Certificateholders in accordance with General Certificate Condition 8; or

- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Certificates of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Share traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent shall give notice of such cancellation or adjustment to Certificateholders in accordance with General Certificate Condition 8.

4 Nationalisation, Insolvency or De-listing

If in respect of the Share or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the terms and conditions of the Certificates to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) cancel the Certificates. If the Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Certificate held by it which amount shall be the fair market value of a Certificate taking into account the Nationalisation, Insolvency or De-listing (as the case may be), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any Hedging Arrangements, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any Hedging Arrangements all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificate Condition 8. Notice of any cancellation of the Certificates or determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Certificate Condition 8.

5 Change of Exchange

If an Exchange is changed, the Issuer may make such consequential modifications to the Entitlement and such other terms and conditions of the Certificates as it may deem necessary.

6 Price Correction

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Certificates is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the terms and conditions of the Certificates to account for such correction.

7 Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any terms and conditions of the Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms

and conditions of the Certificates as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Certificate Condition 8.

8 Change in currencies

If, at any time after the Issue Date of the Certificates, there is any change in the currency in which the Share is quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Certificates as the Calculation Agent determines appropriate to preserve the economic terms of the Certificates. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Certificates.

PART 2(C): TERMS AND CONDITIONS OF CURRENCY CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to a currency shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Currency Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Currency Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means such event (if any) specified in the applicable Final Terms.

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(1) in the case of a Long Currency Certificate:

(a) Upon Exercise:

$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(2) in the case of a Short Currency Certificate:

(a) Upon Exercise:

$(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Current Financing Level**” means, subject to adjustment in accordance with Currency Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“**Current Spread**” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the “**Maximum Spread**” (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Underlying FX Rate or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“**Current Stop Loss Premium**” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Currency Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “**Minimum Premium**” nor greater than the “**Maximum Premium**” (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Currency Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the “**Current Stop Loss Premium Rate**”) on the Trade Date is the rate specified as such in the applicable Final Terms.

“**De Minimis Trading**” means the number of contracts traded with respect to the Underlying FX Rate is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Underlying FX Rate has been impaired due to a lack of, or a material reduction in, trading in the Underlying FX Rate.

“**Disrupted Day**” means, in respect of the Underlying FX Rate, any day on which a Market Disruption Event has occurred.

“**Entitlement**” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Currency Certificate Condition 2.

“**Exchange Rate**” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“**Exercise**” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“**Exercise Date**” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“Exercise Time” means the time specified as such in the applicable Final Terms.

“Expenses” means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Certificate.

“Final Reference Price” means, unless otherwise specified in the applicable Final Terms, an amount equal to:

(1) in the case of a Long Currency Certificate, the bid-price of the Underlying FX Rate quoted the Relevant Screen Page at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the bid-price of the Underlying FX Rate on such date having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines relevant; or

(2) in the case of a Short Currency Certificate, the ask-price of the Underlying FX Rate quoted the Relevant Screen Page at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the ask-price of the Underlying FX Rate on such date having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines relevant.

“Financing Level Currency” means the currency specified as such in the applicable Final Terms.

“Funding Cost” means, subject to adjustment in accordance with Currency Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

(1) in the case of a Long Currency Certificate:

the Current Financing Level on the previous Reset Date; multiplied by

- (a) Prevailing Rate for the Financing Level Currency multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency; minus
- (b) Prevailing Rate for the Underlying Currency (or if no Underlying Currency is so specified in the applicable Final Terms, the Settlement Currency) multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Underlying Currency (or if no Underlying Currency is so specified in the applicable Final Terms, the Settlement Currency); plus
- (c) Current Spread multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Settlement Currency.

(2) in the case of a Short Currency Certificate:

the Current Financing Level on the previous Reset Date; multiplied by

- (a) Prevailing Rate for the Underlying Currency (or if no Underlying Currency is so specified in the applicable Final Terms, the Settlement Currency) multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Underlying Currency (or if no Underlying Currency is so specified in the applicable Final Terms, the Settlement Currency); minus
- (b) Prevailing Rate for the Financing Level Currency multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency; minus
- (c) Current Spread multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Settlement Currency.

The Funding Cost may be a negative number.

“General Inconvertibility” means the occurrence of any event that generally makes it impossible to convert the currencies in the Underlying FX Rate through customary legal channels for conducting such conversion in the principal financial centre of the Financing Level Currency.

“General Non-Transferability” means the occurrence of any event that generally makes it impossible to deliver the Financing Level Currency (i) from accounts in the country of the principal financing centre of the Financing Level Currency or (ii) between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction.

“Governmental Authority” means any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Underlying FX Rate.

“Governmental Authority Default” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such security, indebtedness for borrowed money or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee.

“Illiquidity” means it becomes impossible to obtain a firm quote for the Underlying FX Rate or the Financing Level Currency for an amount which the Issuer considers necessary to discharge its obligations under the Certificates.

“Inconvertibility/Non-Transferability” means the occurrence of any event which constitutes a General Inconvertibility Market Disruption Event, a General Non-Transferability Market Disruption Event, a Specific Inconvertibility Market Disruption Event and a Specific Non-Transferability Market Disruption Event.

“Issue Date” means the date specified as such in the applicable Final Terms.

“Issuer Call” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“Issuer Call Commencement Date” means the date specified as such in the applicable Final Terms.

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding day that is not a Disrupted Day, unless each of the Relevant Number of Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines to be relevant.

“Issuer Call Notice Period” means the period specified as such in the applicable Final Terms.

“Long Currency Certificate” means a Certificate designated as such in the applicable Final Terms.

“Market Disruption Event” means the occurrence, with respect to the Underlying FX Rate, of (i) a General Inconvertibility, a General Non-Transferability, a Governmental Authority Default, an Illiquidity, De Minimis Trading, an Inconvertibility/Non-Transferability, a Material Change in Circumstances, a Nationalisation, a Price Source Disruption, a Specific Inconvertibility and a Specific Non-Transferability or (ii) any Additional Market Disruption Event.

“Material Change in Circumstances” means the occurrence of any event (other than those events specified as Market Disruption Events in the Final Terms) beyond the control of the Issuer which could make it impracticable or impossible for it to perform its obligations under the Certificates.

“Nationalisation” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or its affiliates), of all or substantially all of its assets in the country of the principal financial centre of the Financing Level Currency.

“Prevailing Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency or the Settlement Currency (or Underlying Currency where Underlying Currency is defined in the applicable Final Terms) (as appropriate) with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“Price Source Disruption” means it becomes impossible to obtain the Underlying FX Rate on the Valuation Date, the Issuer Call Date or the Stop Loss Termination Valuation Date, as applicable, in the inter-bank market.

“Relevant Number of Days” means the number of days, if any, specified as such in the applicable Final Terms.

“Relevant Screen Page” means as specified in the applicable Final Terms.

“Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“Settlement Date” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“Short Currency Certificate” means a Certificate designated as such in the applicable Final Terms.

“Specific Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert the currencies in the Underlying FX Rate other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Specific Non-Transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver the Financing Level Currency (i) from accounts in the country of the principal financing centre of the Financing Level Currency or (ii) between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Stop Loss Event” occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Currency Certificate Condition 2, (1) in the case of a Long Currency Certificate, the low price of the Underlying FX Rate quoted on the Relevant Screen Page specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is less than or equal to the Stop Loss Price; or (2) in the case of a Short Currency Certificate, the high price of the Underlying FX Rate quoted on the Relevant Screen Page specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

“Stop Loss Price” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Currency Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

(1) in the case of a Long Currency Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

(2) in the case of a Short Currency Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; minus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as **“Stop Loss Price Rounding”**. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“Stop Loss Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

“Stop Loss Termination Date” means the first day on which the Stop Loss Event occurs.

“Stop Loss Termination Reference Price” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Currency Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be equal to:

(1) in the case of a Long Currency Certificate the higher of (i) the fair value price of the Underlying FX Rate as determined by the Calculation Agent by reference to an unwinding of the hedging position on a

best effort basis and (ii) the lowest level of the Underlying FX Rate on the Stop Loss Termination Valuation Date; or

(2) in the case of a Short Currency Certificate the higher of (i) the fair value price of the Underlying FX Rate as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis and (ii) the highest level of the Underlying FX Rate on the Stop Loss Termination Valuation Date.

“Stop Loss Termination Valuation Date” means the Stop Loss Termination Date or, if such date is a Saturday or Sunday or if the Stop Loss Event occurs at the Valuation Time on the Stop Loss Termination Date, the following Business Day.

“Termination Reference Price” means an amount specified in the applicable Final Terms, or if Termination Reference Price is not so specified, (1) in the case of a Long Currency Certificate, an amount equal to the bid-price of the Underlying FX Rate quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date or (2) in the case of a Short Currency Certificate, the ask-price of the Underlying FX Rate quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date, both as determined by or on behalf of the Calculation Agent.

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

“Underlying Currency” means the currency specified as such in the applicable Final Terms, or, if no such currency is so specified, shall not be applicable.

“Underlying FX Rate” means the rate specified as such in the applicable Final Terms.

“Valuation Date” means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding day that is not a Disrupted Day, unless each of the Relevant Number of Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines to be relevant.

“Valuation Time” means the time specified as such in the applicable Final Terms, or such other time as the Issuer may determine in its absolute discretion and notify to Certificateholders in accordance with General Certificate Condition 8.

2 Adjustments

(A) Market Disruption Events

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Certificate Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8.

(B) Corrections

If the Calculation Agent determines in respect of the Underlying FX Rate, that the rate published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Certificates is subsequently corrected and the correction is published or

announced by the person responsible for that publication or announcement within three Business Days (or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any adjustment to the terms and conditions of the Certificates is required to account for such correction. If the Calculation Agent determines that an adjustment to the terms and conditions is required, the Issuer may as soon as reasonably practicable adjust the terms and conditions of the Certificates to account for such correction.

(C) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Certificates as it deems necessary. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8.

(D) Additional Market Disruption Events

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Certificate held by such holder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any cancellation of the Certificates or determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Certificate Condition 8.

PART 2(D): TERMS AND CONDITIONS OF COMMODITY CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to a commodity shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Commodity Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Commodity Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means a Change in Law, a Hedging Disruption Event and/or such other event (if any) specified in the Final Terms.

“**Bullion**” means Gold, Silver, Platinum or Palladium, as the case may be.

“**Bullion Business Day**” means, in respect of any Commodity Certificates for which the Commodity is Bullion, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in the location where payment is to be made.

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(1) in the case of a Long Commodity Certificate:

(a) Upon Exercise:

$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(2) in the case of a Short Commodity Certificate:

(a) Upon Exercise:

$(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that:

(X) it has (or it expects that it will) become illegal for the Issuer or any of its affiliates, to (i) hold, acquire or dispose of the Commodity or to enter into transactions on or relating to the Commodity (including without limitation, futures contracts) or (ii) perform its obligations under the Certificates; or

(Y) the Issuer or any of its affiliates would (or would expect to) incur a materially increased cost in (i) holding, acquiring or disposing of the Commodity, (ii) maintaining, entering into or unwinding any Hedging Arrangement, and/or (iii) performing its obligations under the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Commodity**” means the commodity specified as such in the applicable Final Terms, subject to Commodity Certificate Condition 2.

“**Commodity Business Day**” means (a) in respect of the Commodity (provided the Commodity is not Bullion) if the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and (b) in respect of the Commodity (provided the Commodity is not Bullion) if the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

“**Commodity Reference Price**” means the reference price or spot price for the Commodity specified in the Final Terms.

“**Current Financing Level**” means, subject to adjustment in accordance with Commodity Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formulae:

(1) in the case of the Issuer using the spot price of the Commodity as the Specified Price:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost.

(2) in the case of the Issuer using the Futures Contract as the Commodity Reference Price:

- (i) in the case of a Long Commodity Certificate:
 - (a) the Current Financing Level on the previous Reset Date; plus
 - (b) Handling Cost; minus
 - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.
- (ii) in the case of a Short Commodity Certificate:
 - (a) the Current Financing Level on the previous Reset Date; minus
 - (b) Handling Cost; minus
 - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“Current Spread” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the **“Maximum Spread”** (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Commodity or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“Current Stop Loss Premium” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Commodity Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the **“Minimum Premium”** nor greater than the **“Maximum Premium”** (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Commodity Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **“Current Stop Loss Premium Rate”**) on the Trade Date is the rate specified as such in the applicable Final Terms.

“De Minimis Trading” means the number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange.

“Delivery Date” means the date specified as such in the applicable Final Terms.

“Disappearance of Commodity Reference Price” means, in respect of a Relevant Commodity Price, (A) the permanent discontinuation of trading in the Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the Commodity; or (C) the disappearance or permanent discontinuance or unavailability of the relevant Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

“Disrupted Day” means, in respect of the Commodity, any Scheduled Trading Day on which a Market Disruption Event has occurred.

“Early Closure” means, in respect of the Commodity, the closure on any Exchange Business Day of the Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such

Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange(s) or Related Exchange(s) system(s) for execution at the Valuation Time on an Exchange Business Day.

“**Entitlement**” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Commodity Certificate Condition 2.

“**Exchange**” means, in respect of the Commodity, the exchange or principal trading market specified in the applicable Final Terms.

“**Exchange Business Day**” means, in respect of the Commodity, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“**Exchange Rate**” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“**Exercise**” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“**Exercise Date**” means, subject to a Stop Loss Event, the third Commodity Business Day or Bullion Business Day, as applicable, preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“**Exercise Time**” means the time specified as such in the applicable Final Terms.

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Certificate.

“**Final Reference Price**” means, unless otherwise specified in the applicable Final Terms, an amount equal to the Specified Price of the Commodity quoted on the relevant Price Source at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without any regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Specified Price of the Commodity on such date having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines relevant.

“**Financing Level Currency**” means the currency specified as such in the applicable Final Terms.

“**Funding Cost**” means, subject to adjustment in accordance with Commodity Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

(1) in the case of a Long Commodity Certificate:

- (a) Prevailing Rate plus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

(2) in the case of a Short Commodity Certificate:

- (a) Prevailing Rate minus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

“Futures Contract” means, in respect of any Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price (if any) and thereafter a financially equivalent futures contract (the **“Substitute Futures Contract”**) selected by the Issuer. On the Rollover Date the Issuer shall make its selection of the Substitute Futures Contract and on such date the Issuer, shall, during Trading Hours, effect substitution of the Futures Contract for the Substitute Futures Contract at the Rollover Spread and thereafter the Substitute Futures Contract shall for all purposes be the Futures Contract.

“Gold” means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

“Handling Cost” means, subject to adjustment in accordance with Commodity Certificate Condition 2, an amount, as determined by the Calculation Agent on a daily basis, equal to:

- (a) Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Handling Cost may be a negative number.

“Hedging Arrangement” means any hedging arrangements entered into by the Issuer and/or its affiliates at any time with respect to the Certificates, including without limitation the purchase and/or sale of any Commodity and any associated foreign exchange transactions.

“Hedging Disruption Event” means, (i) any event in connection with which the Issuer or any of its affiliates is (or would be) unable, after using commercially reasonable efforts to hold, acquire or dispose of any Commodity or to enter into, maintain, re-establish or unwind any Hedging Arrangement; (ii) any event in connection with which the Issuer or any of its affiliate is (or would be) unable, after using commercially reasonable efforts to realise, recover or remit the proceeds of any Commodity and/or Hedging Arrangement; and/or (iii) any other event specified as such in the applicable Final Terms.

“Issue Date” means the date specified as such in the applicable Final Terms.

“Issuer Call” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“Issuer Call Commencement Date” means the date specified as such in the applicable Final Terms.

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted

Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines to be relevant.

“Issuer Call Notice Period” means the period specified as such in the applicable Final Terms.

“Long Commodity Certificate” means a Certificate designated as such in the applicable Final Terms.

“Market Disruption Event” means the occurrence, with respect to the Commodity, of (i) a Price Source Disruption, a Trading Disruption, a Disappearance of Commodity Reference Price, a Tax Disruption, a Material Change in Content or a Material Change in Formula, an Early Closure, De Minimis Trading or a Moratorium if so specified in the Final Terms or (ii) any Additional Market Disruption Event.

“Material Change in Content” means the occurrence since the Issue Date of a material change in the content, composition or constitution of the Commodity or relevant Futures Contract.

“Material Change in Formula” means the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

“Moratorium” means a general moratorium is declared in respect of banking activities in the county in which the Exchange or Related Exchange is located.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

“Platinum” means ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

“Prevailing Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“Price Source” means, in respect of the Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price.

“Price Source Disruption” means, in respect of the Commodity, (A) the failure of the relevant Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price of the Commodity) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

“Related Exchange” means an options or futures exchange or quotation system on which options contracts or futures or other derivatives contracts on the Commodity are traded.

“Relevant Commodity Price” means the price determined on any day for the specified Commodity Reference Price.

“Relevant Number of Scheduled Trading Days” means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

“Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent or (c) the Commodity Business Day or Bullion Business Day, as applicable, following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Futures Contract, at the determination of the Calculation Agent.

“Rollover Date” means the date specified as such in the applicable Final Terms.

“Rollover Spread” means the fair value spread calculated as the price determined by the Issuer for liquidating its related hedging arrangements for the Futures Contract minus the price determined by the Issuer for establishing its related hedging arrangements for the Substitute Futures Contract during the substitution of the Futures Contract for the Substitute Futures Contract by reference to liquidity in the Futures Contract and the Substitute Futures Contract. The Rollover Spread may be a negative number.

“Scheduled Trading Day” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“Settlement Date” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“Short Commodity Certificate” means a Certificate designated as such in the applicable Final Terms.

“Silver” means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

“Specified Price” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the Final Terms.

“Stop Loss Event” occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Commodity Certificate Condition 2, (1) in the case of a Long Commodity Certificate, the bid low price of the Commodity quoted on the relevant Price Source specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, less than or equal to the Stop Loss Price; or (2) in the case of a Short Commodity Certificate, the high ask price of the Commodity quoted on the relevant Price Source specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Price. If no such price is available the price will be determined by the Calculation Agent in its absolute discretion.

“Stop Loss Price” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Commodity Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

(1) in the case of a Long Commodity Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

(2) in the case of a Short Commodity Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; minus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as “**Stop Loss Price Rounding**”. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“**Stop Loss Reset Date**” means (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent or (c) the Commodity Business Day or Bullion Business Day, as applicable, following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Futures Contract, at the determination of the Calculation Agent.

“**Stop Loss Termination Date**” means the first Scheduled Trading Day on which the Stop Loss Event occurs.

“**Stop Loss Termination Reference Price**” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Commodity Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Commodity as determined by the Calculation Agent by reference to unwinding of the hedging position on a best efforts basis.

(1) in the case of a Long Commodity Certificate the Stop Loss Termination Reference Price will be at most the lowest level of the Commodity on the Stop Loss Termination Valuation Date; or

(2) in the case of a Short Commodity Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Commodity on the Stop Loss Termination Valuation Date.

“**Stop Loss Termination Valuation Date**” means the Stop Loss Termination Date or if the Stop Loss Event occurs at the Valuation Time on the Stop Loss Termination Date, the following Scheduled Trading Day.

“**Stop Loss Termination Valuation Period**” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the Commodity or Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Commodity Reference Price on the Valuation Date and/or on each of the three Scheduled Trading Days following the Valuation Date and/or during the Stop Loss Termination Valuation Period from what it would have been without that imposition, change or removal.

“**Termination Reference Price**” means an amount equal to (1) in the case of a Long Commodity Certificate, the bid-price of the Commodity quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date or (2) in the case of a Short Commodity Certificate, the ask-price of the Commodity quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date, both as determined by or on behalf of the Calculation Agent.

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

“**Trading Disruption**” means, in respect of the Commodity, the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or such Commodity on the relevant Exchange.

“**Trading Hours**” means as regards each Exchange its regular scheduled opening hours on each Scheduled Trading Day.

“**Valuation Date**” means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately

following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines to be relevant.

“**Valuation Time**” means the time specified as such in the applicable Final Terms, or such other time as the Issuer may determine in its absolute discretion and notify to Certificateholders in accordance with General Certificate Condition 8.

2 Adjustments

(A) Market Disruption Events

If the Calculation Agent determines that a Market Disruption Event has occurred, the Issuer, at its discretion, may (i) make any adjustment or adjustments to the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount, the Stop Loss Cash Settlement Amount and/or any other relevant term of the Certificates (including the amount of interest payable, if any) as it deems necessary to account for any Market Disruption Event if it considers it appropriate to do so and/or (ii) redeem each Certificate at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer (or any of its affiliates) of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer (or any of its affiliates) in respect of any Hedging Arrangement. The Issuer shall give notice to the holders of the Certificates of any such adjustment and/or any redemption of the Certificates hereunder in accordance with General Certificate Condition 8.

(B) Corrections

If the Calculation Agent determines in respect of any Relevant Commodity Price, that the price published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Certificates is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days (or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any adjustment to the terms and conditions of the Certificates is required to account for such correction. If the Calculation Agent determines that an adjustment to the terms and conditions is required, the Issuer may as soon as reasonably practicable adjust the terms and conditions of the Certificates to account for such correction.

(C) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Certificates as it deems necessary. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8.

(D) Change in Currency

If, at any time after the Issue Date, there is any change in the currency in which the Commodity is quoted, listed and/or dealt on the relevant Price Source and/or Exchange, then the Issuer will adjust such of the terms and conditions of the Certificates as the Calculation Agent determines appropriate to preserve the economic terms of the Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Certificates.

PART 2(E): TERMS AND CONDITIONS OF FUND CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to a fund shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Fund Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Fund Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

- (a) Upon Exercise:
$$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement, less Expenses (the “Exercise Cash Settlement Amount”); or}$$
- (b) Upon an Issuer Call:
$$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement, less Expenses (the “Issuer Call Cash Settlement Amount”); or}$$
- (c) Following a Stop Loss Event:
$$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement, less Expenses (the “Stop Loss Cash Settlement Amount”),}$$

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Current Financing Level**” means, subject to adjustment in accordance with Fund Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost; and minus
- (c) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the relevant Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“Current Spread” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the **“Maximum Spread”** (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Fund or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“Current Stop Loss Premium” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Fund Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the **“Minimum Premium”** nor greater than the **“Maximum Premium”** (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Fund Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **“Current Stop Loss Premium Rate”**) on the Trade Date is the rate specified as such in the applicable Final Terms.

“Disrupted Day” means, in respect of the Fund, any Business Day on which a Market Disruption Event has occurred.

“Entitlement” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Fund Certificate Condition 2.

“Exchange Rate” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“Exercise” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“Exercise Date” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“Exercise Time” means the time specified as such in the applicable Final Terms.

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Certificate.

“Final Reference Price” means unless otherwise specified in the applicable Final Terms, an amount equal to the Reference Asset Price for the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such level or price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Reference Asset Price for such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

“Financing Level Currency” means the currency specified as such in the applicable Final Terms.

“**Fund**” means the entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the applicable Final Terms.

“**Fund Interest**” means a unit, share, partnership interest, or other similar direct interest in a Fund that entitles the holder of such interest to a share in the net assets of that Fund, as specified as such in the applicable Final Terms.

“**Fund Manager**” means (a) the person specified as such in the applicable Final Terms or (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests.

“**Fund Rules**” means, with respect to a Fund, the terms of the bye-laws and other associated documentation relating to such Fund and any other rules or regulations relating to such Fund and the relevant Fund Interests (including any prospectus in respect of such) existing on the Issue Date, including its investment guidelines and restrictions.

“**Funding Cost**” means, subject to adjustment in accordance with Fund Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

- (a) Prevailing Rate plus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

“**Hedge Counterparty**” means any party to a contract with the Issuer or any of its affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

“**Investing Entity**” means the Issuer, any affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes for Fund Interests and references in the Fund Certificate Conditions to an Investing Entity are to any such entity acting in that capacity.

“**Issue Date**” means the date specified as such in the applicable Final Terms.

“**Issuer Call**” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“**Issuer Call Commencement Date**” means the date specified as such in the applicable Final Terms.

“**Issuer Call Date**” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

“**Issuer Call Notice Period**” means the period specified as such in the applicable Final Terms.

“**Market Disruption Event**” means, in respect of a Business Day, the occurrence or continuation, as determined by the Calculation Agent, of:

- (a) a failure or postponement that is, in the determination of the Calculation Agent, material by the Fund and/or a Fund Manager to publish the Reference Asset Price in respect of that Business Day (provided that such Business Day is a day for which such official net asset value is scheduled to be published); or
- (b) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Business Day (provided that such Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or
- (c) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules); or
- (d) the failure of trading to commence, or the permanent discontinuation of trading, of the Fund; or
- (e) the material limitation imposed on trading in the Fund with respect to it or any contract with respect to it on any principal trading market; or
- (f) any other event similar to any of the above which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Certificates.

“Notional Dividend Amount” means, if “Notional Dividend Amount” is specified as being “Applicable” in the applicable Final Terms, an amount, if any, as determined by the Calculation Agent, equal to (i) the sum of the cash dividends and/or other cash distributions in respect of the Fund which have an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses.

“Notional Dividend Period” means, unless otherwise specified in the applicable Final Terms, each period from (but excluding) the Trade Date to (and including) the earlier of the next following Reset Date, Issuer Call Date, Stop Loss Termination Date or the Valuation Date and thereafter from (but excluding) the Reset Date to (and including) the earlier of the next following Reset Date, the Issuer Call Date, Stop Loss Termination Date or the Valuation Date.

“Prevailing Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“Reference Asset Price” means, (i) if specified as NAV in the applicable Final Terms, the net asset value of the Fund as quoted by the Fund Manager for any Scheduled Trading Day, and (ii) if specified as Trading Price in the applicable Final Terms, the trading price of the Fund as quoted by the Fund Manager for any Scheduled Trading Day.

“Relevant Number of Scheduled Trading Days” means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

“Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

“Scheduled Trading Day” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which subscription or redemption of Fund Interests takes place (without giving effect to any gating, deferral, suspension or other similar provision to delay or refuse a duly completed and timely submitted request to redeem Fund Interests on such day).

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“Settlement Date” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date

specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“Stop Loss Event” occurs if, unless otherwise specified in the applicable Final Terms the Reference Asset Price (which shall be deemed to be a monetary value in the Financing Level Currency) for any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is less than or equal to the Stop Loss Price. If no such price or level is available the price or level will be determined by the Calculation Agent in its absolute discretion.

“Stop Loss Price” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Fund Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as **“Stop Loss Price Rounding”**. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“Stop Loss Reset Date” means (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent.

“Stop Loss Termination Date” means the first Scheduled Trading Day on which the Stop Loss Event occurs.

“Stop Loss Termination Reference Price” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Fund Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion on the Stop Loss Termination Valuation Date, equal to the share-weighted average of the Reference Asset Prices at which the hedging position in Fund Interests was redeemed during the Stop Loss Valuation Period.

“Stop Loss Termination Valuation Date” means the day the Reference Asset Price is made available for the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

“Stop Loss Termination Valuation Period” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the number of Scheduled Trading Days taken to redeem the Fund Interests according to the redemption procedure relating to Fund Interests as set out in the constitutive documents for such Fund (and excluding for this purpose any period during which a Market Disruption Event is continuing). The Issuer shall submit a duly completed request to redeem Fund Interests as soon as practicable following the occurrence of the Stop Loss Event and for the avoidance of doubt, such submissions may occur on the Business Day following such Stop Loss Event if the Stop Loss Event occurs less than 3 hours prior to the cut-off time the fund manager, affiliate, agent, or intermediary platform through which the Issuer may contract (via a trading agreement or other ancillary document) is available to receive requests to subscribe and/or redeem Fund Interests.

“Termination Reference Price” means, unless otherwise specified in the applicable Final Terms, an amount equal to the Reference Asset Price for the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction (if, in the determination of the Calculation Agent, no such level or price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Reference Asset Price for such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

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

“**Valuation Date**” means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

2 Adjustments

(A) *Market Disruption Event*

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Certificate Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8. Fund Adjustment Event.

Following a Fund Adjustment Event, the Calculation Agent will determine the effect of such Fund Adjustment Event, and shall as soon as reasonably practicable under the circumstances notify the Issuer of such occurrence and adjustment the Calculation Agent will make to the Fund and/or the Final Reference Price and/or the Termination Reference Price and/or the Stop Loss Termination Reference Price or any other terms of the product as the Calculation Agent sees fit. Such adjustment may include but is not limited to the postponement of the calculation of the Final Reference Price, Termination Reference Price or the Stop Loss Termination Reference Price or the exclusion or replacement of the Fund to account for such event and determine the effective date of that adjustment.

“**Fund Adjustment Event**” means:

- (i) *Audit Event*: the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;
- (ii) *Charging Change*: the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;
- (iii) *Corporate Event*: a declaration by or on behalf of a Fund of:
 - (a) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests;
 - (b) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or
 - (c) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;

- (iv) *Cross-contamination*: any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;
- (v) *Currency Change*: the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules; “Distribution In-kind” means a redemption of Fund Interests in the form of a distribution of non-cash assets;
- (vi) *Dealing Restriction*: any dealing restrictions (and/or amendments to relevant documentation) related to a Fund and/or transactions by its relevant fund manager, affiliate, agent or intermediary platform through which the Calculation Agent may contract (via a trading agreement or other ancillary document) in order to carry out such transactions;
- (vii) *Fund Accounting Event*: any changes in the accounting principles or policies applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (viii) *Fund Bankruptcy*: the Fund is liquidated, dissolved or otherwise ceases to exist or it or its fund manager is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law or the Fund is subject to any fraud;
- (ix) *Fund Constitution Breach*: any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (x) *Fund Constitution Change*: any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (xi) *Fund License Event*: the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or its fund manager to carry out their activities as they are or should be carried out in accordance with the constitutive documents for such Fund as of the Issue Date;
- (xii) *Fund Regulatory Event*: any changes in the regulatory treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xiii) *Fund Rules Breach*: any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;
- (xiv) *Fund Strategy Breach*: any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (xv) *Fund Strategy Change*: any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (xvi) *Fund Tax Event*: any changes in the tax treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xvii) *Hedging Event*: the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations

with respect to the Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;

- (xviii) *Investor Tax Event*: any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;
- (xix) *Litigation Event*: the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;
- (xx) *Management Change*: the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;
- (xxi) *Mandatory Disposal*: any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;
- (xxii) *Market Event*: any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered.
- (xxiii) *NAV Suspension*: suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;
- (xxiv) *Performance Failure*: any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;
- (xxv) *Potential Regulatory Event*: an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;
- (xxvi) *Redemption Failure*: a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;
- (xxvii) *Regulatory Event*: the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;
- (xxviii) *Subscription/Redemption Alteration*: any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;

- (xxix) *Subscription/Redemption Restriction:* any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or
- (xxx) *Transfer Restriction:* suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules; or
- (xxxi) *Other Event:* any other event, whether similar or not to any of the above: (A) which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Certificates and/or hedge its obligations hereunder or unwind a hedge of its obligations hereunder and/or carry out any and all transactions in respect of the Fund for the purpose of the Certificates; (B) where the Calculation Agent is unable to acquire or dispose of shares of a Fund; (C) where there is any default in payment(s) for any amounts owing to the Calculation Agent for the redemption of shares of a Fund by the fund manager or any party responsible for making payments in respect of redemption.

PART 2(F): TERMS AND CONDITIONS OF GOVERNMENT BOND CERTIFICATES

The terms and conditions applicable to Certificates issued by the Global Issuer linked to a government bond shall comprise the Terms and Conditions of the Certificates issued by the Global Issuer set out in Part 1 of this Chapter 22 (the “General Certificate Conditions”) and the additional Terms and Conditions set out below (the “Government Bond Certificate Conditions”), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Certificate Conditions and/or the Government Bond Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means such event (if any) specified in the applicable Final Terms.

“**Business Day**” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the applicable Final Terms and Euroclear Netherlands is open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(1) in the case of a Long Government Bond Certificate:

(a) Upon Exercise:

$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(2) in the case of a Short Government Bond Certificate:

(a) Upon Exercise:

$(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(b) Upon an Issuer Call:

$(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(c) Following a Stop Loss Event:

$(\text{Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times$
Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Current Financing Level**” means, subject to adjustment in accordance with Government Bond Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formulae:

(1) in the case of a Long Government Bond Certificate:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Handling Cost; minus
- (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

(2) in the case of a Short Government Bond Certificate:

- (a) the Current Financing Level on the previous Reset Date; minus
- (b) Handling Cost; minus
- (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

The Current Financing Level on the Trade Date is the level specified as such in the applicable Final Terms.

“**Current Spread**” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the “**Maximum Spread**” (as specified in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Reference Asset or hedging the Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

“**Current Stop Loss Premium**” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Government Bond Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “**Minimum Premium**” nor greater than the “**Maximum Premium**” (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Government Bond Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the “**Current Stop Loss Premium Rate**”) on the Trade Date is the rate specified as such in the applicable Final Terms.

“**De Minimis Trading**” means the number of contracts traded on the Exchange with respect to the Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Reference Asset on the Exchange.

“Disappearance of Reference Asset Price” means, in respect of the Reference Asset the permanent discontinuation of trading in the Reference Asset on the relevant Exchange.

“Disrupted Day” means, in respect of the Reference Asset, any Scheduled Trading Day on which a Market Disruption Event has occurred.

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

“Entitlement” means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Government Bond Certificate Condition 2.

“Exchange” means the exchange or quotation system specified as such in the applicable Final Terms or any successor to such exchange or quotation system.

“Exchange Business Day” means, in respect of the Reference Asset, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“Exchange Rate” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

“Exercise” means a Certificateholder’s right to exercise the Certificates in accordance with General Certificate Conditions 3 and 4.

“Exercise Date” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in General Certificate Condition 3.

“Exercise Time” means the time specified as such in the applicable Final Terms.

“Expenses” means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Certificate.

“Final Reference Price” means, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the closing Reference Asset Price on the Exchange at the Valuation Time, adjusted for any reasonable market-making spreads, on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the closing Reference Asset Price on such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

“Financing Level Currency” means the currency specified as such in the applicable Final Terms.

“Governmental Authority” means any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public)

charged with the regulation of the financial markets (including the central bank) in the country to which the Reference Asset is in fact referenced.

“Governmental Authority Default” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such security, indebtedness for borrowed money or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee.

“Handling Cost” means, subject to adjustment in accordance with Government Bond Certificate Condition 2, an amount, as determined by the Calculation Agent on a daily basis, equal to:

- (a) Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Handling Cost may be a negative number.

“Issue Date” means the date specified as such in the applicable Final Terms.

“Issuer Call” means termination of the Certificates by the Issuer in accordance with General Certificate Condition 3.

“Issuer Call Commencement Date” means the date specified as such in the applicable Final Terms.

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with General Certificate Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent determines to be relevant.

“Issuer Call Notice Period” means the period specified as such in the applicable Final Terms.

“Long Government Bond Certificate” means a Certificate designated as such in the applicable Final Terms.

“Market Disruption Event” means the occurrence, with respect to the Reference Asset, of (i) a Price Source Disruption, a Trading Disruption, a Disappearance of Reference Asset Price, a Tax Disruption, a Material Change in Content or a Material Change in Formula, an Early Closure, a Governmental Authority

Default, Nationalisation, De Minimis Trading or a Moratorium if so specified in the Final Terms or (ii) any Additional Market Disruption Event.

“Material Change in Content” means the occurrence since the Issue Date of a material change in the content, composition of the Reference Asset.

“Material Change in Formula” means the occurrence since the Issue Date of a material change in the basis for (including but not limited to the quantity, quality or currency) or method of calculating the Reference Asset Price.

“Moratorium” means a general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located.

“Nationalisation” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates), of all or substantially all of its assets in the country of the Governmental Authority.

“Price Source Disruption” means, in respect of the Reference Asset, (A) the failure by the Exchange to announce or publish the Reference Asset Price (or the information necessary for determining such price); or (B) the temporary or permanent discontinuance or unavailability of such price by the Exchange on the Valuation Date, the Issuer Call Date or during the Stop Loss Termination Valuation Period.

“Reference Asset” means the Reference Asset as of the Trade Date specified as such in the applicable Final Terms, and thereafter a financially equivalent reference asset (the **“Substitute Asset”**) selected by the Issuer. On the Rollover Date specified in the Final Terms, the Issuer shall make its selection of the Substitute Asset and on such date the Issuer, shall, during Trading Hours, effect substitution of the Reference Asset for the Substitute Asset at the Rollover Spread and thereafter the Substitute Asset shall for all purposes be the Reference Asset.

“Reference Asset Price” means the current price of the Reference Asset. For the avoidance of any doubt, this shall not be the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future’s point) specified on the applicable screen page referred to in the applicable Final Terms, and if no such page reference exists, such other page reference as the Calculation Agent determines.

“Related Exchange” means an options or futures exchange or quotation system on which options contracts or futures or other derivatives contracts on the Reference Asset are traded.

“Relevant Number of Scheduled Trading Days” means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

“Reset Date” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent or (c) the Business Day following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Reference Asset, at the determination of the Calculation Agent.

“Rollover Date” means the date specified as such in the applicable Final Terms.

“Rollover Spread” means the fair value spread calculated as the price determined by the Issuer for liquidating its related hedging arrangements for the Reference Asset minus the price determined by the Issuer for establishing its related hedging arrangements for the Substitute Asset during the substitution of the Reference Asset for the Substitute Asset by reference to liquidity in the Reference Asset and the Substitute Asset. The Rollover Spread may be a negative number.

“Scheduled Trading Day” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Currency” means the currency specified as such in the applicable Final Terms.

“**Settlement Date**” means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Certificate Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

“**Short Government Bond Certificate**” means a Certificate designated as such in the applicable Final Terms.

“**Stop Loss Event**” occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Government Bond Certificate Condition 2, the Reference Asset Price (which shall be deemed to be a monetary value in the Financing Level Currency) on the Exchange on any Scheduled Trading Day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Government Bond Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Government Bond Certificate, greater than or equal to the Stop Loss Price. If no such price is available the price will be determined by the Calculation Agent in its absolute discretion.

“**Stop Loss Price**” means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Government Bond Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

(1) in the case of a Long Government Bond Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; plus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

(2) in the case of a Short Government Bond Certificate:

- (a) the Current Financing Level on the current Stop Loss Reset Date; minus
- (b) the Current Stop Loss Premium on the current Stop Loss Reset Date.

The Stop Loss Price will be rounded in the manner specified in the applicable Final Terms as “**Stop Loss Price Rounding**”. The Stop Loss Price on the Trade Date shall be the amount specified as such in the applicable Final Terms.

“**Stop Loss Reset Date**” means the Trade Date and thereafter (a) the first Business Day of each calendar month or (b) a Business Day as determined by the Calculation Agent or (c) the Business Day following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Reference Asset, at the determination of the Calculation Agent. “**Stop Loss Termination Date**” means the first Scheduled Trading Day on which the Stop Loss Event occurs.

“**Stop Loss Termination Reference Price**” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Government Bond Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Reference Asset as determined by the Calculation Agent by reference to unwinding of the hedging position on a best efforts basis.

(1) in the case of a Long Government Bond Certificate the Stop Loss Termination Reference Price will be at most the lowest level of the Reference Asset Price on the Stop Loss Termination Valuation Date; or

(2) in the case of a Short Government Bond Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Reference Asset Price on the Stop Loss Termination Valuation Date.

“**Stop Loss Termination Valuation Date**” means the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

“Stop Loss Termination Valuation Period” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

“Tax Disruption” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the Reference Asset (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Reference Asset Price on the Valuation Date and/or on each of the three Scheduled Trading Days following the Valuation Date and/or during the Stop Loss Termination Valuation Period from what it would have been without that imposition, change or removal.

“Termination Reference Price” means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Reference Asset Price on the Exchange at the Valuation Time adjusted for any reasonable market-making spreads, on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

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

“Trading Disruption” means, in respect of the Reference Asset, the material suspension of, or the material limitation imposed on, trading in the Reference Asset on the Exchange or Related Exchange.

“Trading Hours” means as regards each Exchange its regular scheduled opening hours on each Scheduled Trading Day.

“Valuation Date” means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

“Valuation Time” means the close of trading on the Exchange, or such other time as the Issuer may determines in its absolute discretion and notify to Certificateholders in accordance with General Certificate Condition 8.

2 Adjustments

(A) Market Disruption Event

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Certificate Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8. Corrections

If the Calculation Agent determines in respect of any Reference Asset Price, that the price published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Certificates is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days

(or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any adjustment to the terms and conditions of the Certificates is required to account for such correction. If the Calculation Agent determines that an adjustment to the terms and conditions is required, the Issuer may as soon as reasonably practicable adjust the terms and conditions of the Certificates to account for such correction.

Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Certificates as it deems necessary. The Issuer shall give notice to the holders of the Certificates of any such adjustment in accordance with General Certificate Condition 8.

(B) Additional Market Disruption Events

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Certificate held by such holder, which shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Certificate Condition 8.

(C) Change in Currency

If, at any time after the Issue Date, there is any change in the currency in which the Reference Asset is quoted, listed and/or dealt on the relevant Price Source and/or Exchange, then the Issuer will adjust such of the terms and conditions of the Certificates as the Calculation Agent determines appropriate to preserve the economic terms of the Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Certificates.

PART 3: FORM OF FINAL TERMS FOR CERTIFICATES

Set out below is the form of Final Terms which will be completed for each issue of Certificates issued by the Global Issuer under the Programme.

Final Terms dated [●]

ING Bank N.V.
Issue of [Aggregate Amount of Tranche]
[Title of Sprinter Certificates / ING Turbo Certificates]
issued pursuant to a
€50,000,000,000 Global Issuance Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly any person making or intending to make an offer of the Certificates may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 38 of Part A below, provided such person is one of the persons mentioned in Paragraph 38 of Part A below and that such offer is made during the Offer Period (if any) specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances] ◇.

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

◇ [Only include if a non-exempt offer of Certificates is anticipated.]

◇ ◇ [Only include if an exempt offer of Certificates is anticipated.]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in Chapter 22, Parts 1 and 2 of the Base Prospectus dated 23 February 2010 [which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)][#]. This document constitutes the Final Terms applicable to the issue of Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive][#] and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from ING Bank N.V [Only include in the event of admission to trading on Euronext Paris and/or public offers in France: and

are available for viewing on the website of the French *Autorité des Marchés Financiers* (www.amf-france.org)]. Written or oral requests for such document should be directed to ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands.

[#]*[Only include if Certificates are to be offered to the public within a member state of the EEA or to be admitted to trading on a regulated market situated or operating within such a member state, in each case in circumstances which would require the approval of a prospectus under the Prospective Directive.]*

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in Chapter 22, Parts 1 and 2 of the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”)][#] and must be read in conjunction with the Base Prospectus dated [current date] [which constitutes a base prospectus for the purposes of the Prospectus Directive][#], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date]. Copies of the Base Prospectuses may be obtained from ING Bank N.V. *[Only include in the event of admission to trading on Euronext Paris and/or public offers in France: and are available for viewing on the website of the French Autorité des Marchés Financiers (www.amf-france.org)].* Written or oral requests for such documents should be directed to ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

GENERAL DESCRIPTION OF THE CERTIFICATES

- | | | | |
|---|-----|--|---|
| 1 | (a) | Series number of the Certificates: | [●] |
| | (b) | Whether or not the Certificates are to be consolidated and form a single series with the Certificates of an existing series: | [●]
<i>(If fungible with an existing issue, details of that issue, including the date on which the Certificates became fungible)</i> |
| 2 | (a) | The type of Certificate which may be Index Certificates, Share Certificates, Currency Certificates, Commodity Certificates, Fund Certificates or Government Bond Certificates: | [●] |
| | (b) | Whether such Certificates are Long or Short Certificates: | [Short] [Long]
<i>(for Fund Certificates will be Long only)</i>
<i>(Delete as applicable)</i> |
| 3 | | Number of Certificates being issued: | [●] |
| 4 | | Issue price per Certificate: | [●] |
| 5 | | Trade Date: | [●] |

6	Issue Date:	[●]
7	“as-if-and-when-issued” trading:	[●]
8	Current Financing Level on the Trade Date:	[●]
9	Current Spread on the Trade Date:	[●]
10	Maximum Spread:	[●]
11	Current Stop Loss Premium Rate on the Trade Date:	[●]
12	Maximum Premium:	[●]
13	Minimum Premium:	[●]
14	Stop Loss Price on the Trade Date:	[●]
15	Stop Loss Event:	As specified in the [Index] [Share] [Currency] [Commodity] [Fund] [Government Bond] Certificate Conditions [other – specify] (Delete as applicable)
16	Stop Loss Price Rounding:	[●]
17	Stop Loss Termination Reference Price:	As specified in the [Index] [Share] [Currency] [Commodity] [Fund] [Government Bond] Certificate Conditions [other – specify] (Delete as appropriate)
18	Entitlement:	[●]
19	Financing Level Currency:	[●]
20	Settlement Currency:	[●]
21	Exercise Time:	[●]
22	Cash Settlement Amount:	As specified in the [Index] [Share] [Currency] [Commodity] [Fund] [Government Bond] Certificate Conditions [other – specify] (Delete as appropriate)
23	Final Reference Price:	As specified in the [Index] [Share] [Currency] [Commodity] [Fund] [Government Bond] Certificate Conditions [other – specify] (Delete as appropriate)
24	Settlement Date:	As specified in the [Index] [Share] [Currency] [Commodity] [Fund] [Government Bond] Certificate Conditions [other – specify] (Delete as appropriate)
25	Issuer Call Commencement Date:	[●]
26	Issuer Call Notice Period:	[●]

27	Valuation Date(s):	[●]
28	Applicable Business Day Centre(s) for the purposes of the definition of “Business Day”	[●]
ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS:		
29	Index Certificate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) type of the Index:	[Multi-Exchange Index] [Non Multi-Exchange Index] <i>(Delete as appropriate)</i>
	(ii) details of the Index:	[●]
	(iii) Exchange:	[●] <i>(if a Non Multi-Exchange Index)</i> [As specified in the Index Certificate Conditions] <i>(if a Multi-Exchange Index)</i> <i>(Delete as appropriate)</i>
ñ	(iv) Additional Market Disruption Event(s):	[Applicable/Not Applicable] <i>(If Applicable provide details of such Additional Market Disruption Events)</i>
	(v) Notional Dividend Amount:	[Applicable/Not Applicable] <i>(Delete as appropriate)</i>
	(vi) Notional Dividend Period:	[As specified in the Index Certificate Conditions] <i>[other – specify]</i> <i>(Delete as applicable)</i>
	(vii) Number of Business Days in which a Price Correction may be published:	[As specified in the Index Certificate Conditions] <i>[other – specify]</i> <i>(Delete as applicable)</i>
	(viii) Relevant Number of Scheduled Trading Days:	[●]
30	Share Certificate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Share:	[●]
	(ii) Share Issuer:	[●]
	(iii) Exchange:	[●]/[As specified in the Share Certificate Conditions] <i>(Delete as appropriate)</i>
	(iv) Additional Market Disruption Event(s):	[Applicable/Not Applicable] <i>(If Applicable provide details of such Additional Market Disruption Events)</i>
	(v) Notional Dividend Amount:	[Applicable/Not Applicable] <i>(Delete as appropriate)</i>

	(vi) Notional Dividend Period:	[As specified in the Share Certificate Conditions] [<i>other – specify</i>] (Delete as applicable)
	(vii) Relevant Number of Scheduled Trading Days:	[●]
31	Currency Certificate Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) details of the Undelying FX Rate	[●]
	(ii) Relevant Screen Page:	[●]
	(iii) Relevant Number of Scheduled Trading Days:	[●]
	(iv) Additional Market Disruption Event(s):	[Applicable/Not Applicable] (If Applicable provide details of such Additional Market Disruption Events)]
	(v) Termination Reference Price:	[●]
	(vi) Underlying Currency:	[●]
	(vii) Valuation Time:	[●]
32	Commodity Certificate Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Commodity:	[●]
	(ii) Commodity Reference Price:	[Initially Bloomberg Code [●] and after the first Rollover Date the Bloomberg Page referring to the relevant Futures Contract] / [<i>specify- other</i>]
	(iii) Price Source/Reference Dealers	[●]
	(iv) Specified Price:	[●]
	(v) Delivery Dates:	[(i) First nearby month of expiration or (ii) the month of expiration with the highest volumes, as determined by the Calculation Agent] / [Not Applicable] / [<i>specify – other</i>]
	(vi) Rollover Date:	[A date, as determined by the Calculation Agent, in the period commencing on the previous Rollover Date (or in the case of the first Rollover Date the Issue Date) and ending not less than 5 Commodity Business Days prior to the last trading date of the relevant Futures Contract of the Commodity] [Not Applicable] / [<i>specify – other</i>]
	(vii) Relevant Number of Scheduled Trading	[●]

	Days:	
	(viii) Additional Market Disruption Event(s):	[Applicable/Not Applicable] <i>(If Applicable provide details of such Additional Market Disruption Events)</i>
	(ix) Exchange:	[●]
	(x) Valuation Time:	[●]
33	Fund Certificate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) details of the Fund, Fund Interest and the name of the Fund Manager:	[●]
	(ii) Additional Market Disruption Event(s):	[Applicable/Not Applicable] <i>(If Applicable provide details of such Additional Fund Disruption Events)</i>
	(iii) Notional Dividend Amount:	[Applicable/Not Applicable] <i>(Delete as appropriate)</i>
	(iv) Notional Dividend Period:	[As specified in the Fund Certificate Conditions] <i>[other – specify]</i> <i>(Delete as applicable)</i>
	(v) Reference Asset Price:	[NAV] [Trading Price. Bloomberg [●]]
	(vi) Relevant Number of Days:	[●]
34	Government Bond Certificate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Reference Asset:	[[●] Future (initially Bloomberg Code [●] and after the first Rollover Date the Bloomberg Page referring to the Substitute Asset)] / <i>[other – specify]</i>
	(ii) Rollover Date:	[A date, as determined by the Calculation Agent, in the period commencing on the previous Rollover Date (or in the case of the first Rollover Date the Issue Date) and ending not less than 5 Business Days prior to the last trading date of the Reference Asset upon which notice to deliver the Reference Asset may be given in accordance with the rules of the relevant Exchange] / <i>[other – specify]</i>
	(iii) Relevant Number of Scheduled Trading Days:	[●]
	(iv) Additional Market Disruption Event(s):	[Applicable/Not Applicable]

(If Applicable provide details of such Additional Market Disruption Events)

- (v) Exchange: [●]
- (vi) Related Exchange [●]
- (vii) Valuation Time: [●]

DISTRIBUTION

- 35 Whether the Certificates are to be listed on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V., Euronext Paris, the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission or any other stock exchange or whether the Certificates are to be unlisted: [Euronext Amsterdam by NYSE Euronext]
[Euronext Paris]
[other – specify]
(Delete as appropriate)
- 36 Details of any clearing system other than Euroclear Netherlands: [Euroclear Netherlands]
[other – specify]
(Delete as appropriate)
 - (i) details of the appropriate clearing code/number: [●]
- 37 Additional selling restrictions: [●]
- 38 (i) [Simultaneous offer:] [●]

(If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been reserved for certain of these, indicate such tranche here)

 - (ii) Non-exempt offer:

[Not Applicable] [An offer of Certificates may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdiction(s) where the Base Prospectus has been approved and published and/or passported] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date] (“Offer Period”).
- 39 Any other special conditions and any modification to the Terms and Conditions of the Certificates: [●]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] listing and admission to trading on [Euronext Amsterdam/Euronext Paris/specify relevant regulated market] of the Certificates described herein pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., ING Bank N.V., Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V..

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: [Euronext Amsterdam by NYSE Euronext/Euronext Paris/the Luxembourg Stock Exchange/other (specify)/ None]
- (ii) Admission to trading: [Application [has been made] [will be made] for the Certificates to be admitted to trading on [Euronext Amsterdam/Euronext Paris/the Luxembourg Stock Exchange/other (specify)] with effect from [•].]
[Not Applicable.]
[(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]
- (iii) Estimate of total expenses related to admission to trading: [•]

2 RATINGS

- Ratings: [The Certificates to be issued will not be rated]
The Certificates to be issued have been rated:
[S&P:[•]]
[Fitch: [•]]
[Moody's: [•]]
[[Other]: [•]]
[Include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
(The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [NOTIFICATION]

The Netherlands Authority for Financial Markets has provided the competent authorities in each of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Norway, Portugal, Spain and Sweden with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. Notwithstanding the foregoing, no offer of the Certificates to the public may be made in any Relevant Member State which requires the Issuer to undertake any action in addition to the filing of the Final Terms with the Netherlands Authority for the Financial Markets unless and until the Issuer advises such action has been taken.]

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in “Subscription and Sale” in Chapter 1 of the Base Prospectus in respect of any appointed Dealer, so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.”

(If there are any material/ conflicting interests, for example for dealers or distributors, then describe those in this section)

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer

[•]

(See “Use of Proceeds” wording in Base Prospectus - if reasons for offer different from making profit and/ or hedging certain risks will need to include those reasons here.)]

(ii) Estimated net proceeds

[•]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses

[•] [Include breakdown of expenses]

(It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

[Indicate the amount of any expenses and taxes specifically charged to the subscribers or purchasers]

6 INFORMATION CONCERNING THE UNDERLYING

[Need to include details of where information on the past and future performance and volatility of the underlying can be obtained, the name of the issuer(s) of the underlying (if relevant) and ISIN/ other identification code of the underlying (if relevant) and (unless the Certificates have a denomination of at least €50,000 or can only be acquired for at least €50,000 per security) a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

7 POST-ISSUANCE INFORMATION

[Indicate whether or not Issuer intends to provide post-issuance information. If so, specify what information will be reported and where such information can be obtained.]

8 OPERATIONAL INFORMATION

- | | |
|---|-----------------------------------|
| (i) ISIN Code: | [•] |
| (ii) Common Code: | [•] |
| (iii) [<i>Other relevant code:</i>] | [•] [Not Applicable] |
| (iv) Name of the Principal Certificate Agent: | [ING Bank N.V.] |
| | [BNP Paribas Securities Services] |
| | <i>(Delete as appropriate)</i> |